



# Interim Report

Standard Life Investment  
Company III

Interim Report and Financial Statements  
for the six months ended 31 December 2015

**Standard Life**  
Investments



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\* Collectively, these items comprise the Authorised Corporate Director's Report for the purposes of the rules contained in the Collective Investment Schemes Sourcebook ("the Sourcebook").

# Standard Life Investment Company III Interim Report & Financial Statements

## Company Information

We are pleased to enclose the interim report and accounts for the SLIC OEIC III umbrella, which contains 26 sub-funds including 25 under the MyFolio brand.

### Market background

While financial markets broadly delivered positive returns over 2015 as a whole, the last six months proved particularly volatile.

Two themes – Chinese growth and the US rate-hike – dominated newsflow within global equity markets. In the former camp, investors feared the world's second-largest economy could be headed for a hard landing after a raft of disappointing economic data. The authorities' surprise decision to devalue the yuan and a rout of the country's stock market added to concerns. There was some relief towards the end of the year, as it became apparent conditions might not be as dire as feared. The other big headline came when the US Federal Reserve finally raised interest rates in December, which many took as a sign of the economy's strength.

Within fixed income, the commitment of central banks to maintain accommodative monetary policy supported government bond markets. However, commodity price swings and a sudden devaluation of China's currency subsequently caused volatility. Corporate bonds were also volatile in this environment. Against this backdrop, UK commercial real estate recorded positive returns.

You can find more detail on market events in the Global Overview.

### Fund news

Volatile markets can be unnerving for investors, leading many to review or even change their investments. However, we are pleased that both the MyFolio range and Enhanced-Diversification Growth Fund continued to deliver returns in line with expectations.

In the current environment, MyFolio's strategy of investing across a wide range of carefully selected defensive and growth-oriented asset classes has helped dampen volatility. As a result, each of the 25 individual funds that comprise the MyFolio range has continued to deliver a return commensurate with the risk taken.

Meanwhile, the Enhanced-Diversification Growth Fund (EDGF) seeks to deliver equity-level returns over a market cycle but with less volatility than stock markets. Since its launch in 2013, EDGF has successfully met this objective, returning 6.3% in 2015 and 14.1% over the last two years. Moreover, it has achieved this return with around two-thirds of the volatility of global equities, demonstrating its strong resilience when equity markets fell during 2015.

Finally, I would like to personally thank you for choosing to invest with us and we look forward to your continued support. If you would like any further information, please visit [www.standardlifeinvestments.com](http://www.standardlifeinvestments.com).

Yours faithfully,

**Jacqueline Lowe**  
Head of UK Wholesale

# Standard Life Investment Company III Interim Report & Financial Statements

## Company Information

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Standard Life Investment Company III				
Head Office	Director	Authorised Corporate Director (ACD)	Board of Directors of the ACD	Secretary of the ACD
1 George Street Edinburgh EH2 2LL  0345 113 6966	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 <b>Registered Office</b> 1 George Street Edinburgh EH2 2LL	A.S. Acheson S.A. Fitzgerald J. Lowe R.J. McKillop L. Scott D.E. Thomas S.R. Wemyss	H.S. Kidd

Standard Life Investment Company III			
Depository	Independent Auditors	Registrar	Investment Adviser
Citibank Europe plc* Registered Office and Head Office Citigroup Centre Canada Square Canary Wharf London E14 5LB	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX	Standard Life Investments (Mutual Funds) Limited** 1 George Street Edinburgh EH2 2L	Standard Life Investments Limited 1 George Street Edinburgh EH2 2LL

\*Citibank International Limited merged into Citibank Europe plc on 4 January 2016

\*\*Prior to 13 July 2015 the Registrar was The Bank of New York Mellon (international) Limited.

# Standard Life Investment Company III Interim Report & Financial Statements

## Company Information

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### Alternative Investment Fund Managers Directive

Standard Life Investments (Mutual Funds) Limited was authorised by the Financial Conduct Authority (FCA), as a full scope UK Alternative Investment Fund Manager (AIFM), in accordance with the newly created, European wide, Alternative Investment Fund Managers Directive (AIFMD) with permission to manage Alternative Investment Funds (AIFs). As such, at this time the Standard Life Investment Company III, as a non-UCITS scheme, became an AIF. The Alternative Investment Fund Managers Directive is intended to strengthen the monitoring of companies managing Alternative Investment Funds and enhances transparency towards investors and as such Standard Life Investments (Mutual Funds) Limited complies with all the relevant requirements of the Directive in full.

### Remuneration Policy

Following the implementation of AIFMD in the UK, all authorised AIFM's are required to comply with the AIFMD Remuneration Code. On 7 July 2014 Standard Life Investments (Mutual Funds) Limited became an AIFM. The AIFM's Financial Year end is 31 December, it is therefore anticipated that the AIFM's Remuneration Policy and associated financial disclosures will be made within these Annual Reports from 30 June 2016, following its first full performance period. Prior to this date the information would not be available would not be relevant or provide a proper basis for comparison.

### Leverage

The term "leverage" is defined under the AIFMD as any method by which the Manager increases the exposure of the Funds whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means. The Manager has, in accordance with the FUND Sourcebook and the Level 2 Regulation, set the maximum level of leverage which the Funds will employ. This is intended to reduce the extent that leverage may magnify a loss in value of Scheme Property resulting from fluctuations in the value of assets in which it invests, exposure to other market participants or to systemic risks. The maximum level of leverage is expressed as a percentage of "exposure" compared to the net asset value of the Funds, with "exposure" being calculated in accordance with a "gross" and "commitment" method. The "gross" method, generally speaking, takes account of the absolute exposure of the Fund while the "commitment" method takes into account netting or hedging arrangements put in place.

Under the Depositary Agreement the Depositary has agreed that it, and any person to whom it delegates custody functions, may not re use any of the Funds assets with which it has been entrusted. The Investment Adviser may use one or more separate counterparties to undertake derivative transactions on behalf of the Funds and may be required to pledge collateral, paid from within the assets of the Funds, to secure such contracts. There may be a risk that a counterparty will wholly or partially fail to honour their contractual obligations under the arrangement. The Investment Adviser assesses the creditworthiness of counterparties as part of the risk management process and will ordinarily hold collateral to mitigate this. The Depositary may, at the request of the Manager, enter into repo contracts and certain stock lending transactions.

# Standard Life Investment Company III Interim Report & Financial Statements

## Company Information

(Continued)

Leverage calculated on	Maximum		Current	
	Gross basis	Commitment basis	Gross basis	Commitment basis
MyFolio Market I Fund	300	200	100	100
MyFolio Market II Fund	300	200	100	100
MyFolio Market III Fund	300	200	100	100
MyFolio Market IV Fund	300	200	100	100
MyFolio Market V Fund	300	200	100	100
MyFolio Multi-Mgr I Fund	300	200	100	100
MyFolio Multi-Mgr II Fund	300	200	100	100
MyFolio Multi-Mgr III Fund	300	200	100	100
MyFolio Multi-Mgr IV Fund	300	200	100	100
MyFolio Multi-Mgr V Fund	300	200	100	100
MyFolio Managed I Fund	300	200	100	100
MyFolio Managed II Fund	300	200	100	100
MyFolio Managed III Fund	300	200	100	100
MyFolio Managed IV Fund	300	200	100	100
MyFolio Managed V Fund	300	200	100	100
MyFolio Multi-Mgr Income I Fund	300	200	100	100
MyFolio Multi-Mgr Income II Fund	300	200	100	100
MyFolio Multi-Mgr Income III Fund	300	200	100	100
MyFolio Multi-Mgr Income IV Fund	300	200	100	100
MyFolio Multi-Mgr Income V Fund	300	200	100	100
MyFolio Managed Income I Fund	300	200	100	100
MyFolio Managed Income II Fund	300	200	100	100
MyFolio Managed Income III Fund	300	200	100	100
MyFolio Managed Income IV Fund	300	200	100	100
MyFolio Managed Income V Fund	300	200	100	100
Enhanced-Diversification Growth Fund	850	850	405	314

## Liquidity Profiles

The Manager may, with the prior agreement of the Depositary, and must, if the Depositary so requires, suspend the issue, sale, cancellation and redemption of units in the Funds if it, or the Depositary in the case of any requirement by the Depositary, is of the opinion that due to exceptional circumstances it is in the interests of holders in the Funds. Depositary must formally review the suspension at least every 28 days and inform the FCA of the results of this review.

When the Manager buys or sells underlying investments in response to a request for the issue, sale, cancellation or

redemption of units, it will generally incur a cost, made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the price paid by or to the holder. This effect is known as “dilution”. With a view to reducing this cost which may have an adverse effect on continuing holders’ interests in the Funds the Manager may make a dilution adjustment on the issue, sale, cancellation and/or redemption of units. Where the Funds are, in the opinion of the Manager, experiencing a period of continual decline. In this case, the dilution adjustment would be made on all redemptions.

More than half of all the portfolios could be liquidated in two to seven days if required.

# Standard Life Investment Company III Interim Report & Financial Statements

## Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) is Standard Life Investments (Mutual Funds) Limited which is the sole director, authorised and regulated by the Financial Conduct Authority, for investment business.

Standard Life Investment Company III ("the Company") is an Open-Ended Investment Company with variable capital under Regulation 12 (Authorisation) of the Open-Ended Investment Companies Regulations 2001 ("the Regulations"). Shareholders are not liable for the debts of the Company.

Standard Life Investment Company III is structured as an umbrella company. Each Fund has the investment powers equivalent to those of a securities company.

The following items within each Fund report form part of the Authorised Corporate Director's report; Investment Report, Portfolio Statement, Ongoing Charges Figure, Comparative Tables and Treatment by Corporate Shareholders.

Distributions are made from positive net revenue where gross revenue exceeds expenses and tax. The total return consists of investment and currency gains and losses in addition to net revenue. In situations where Funds have a negative total return but a positive net revenue position, there will be a distribution.

Material differences may arise between a Fund's net revenue after tax and its distribution if the ACD's periodic charge and transaction costs are borne by the capital property of the Fund for distribution purposes. The expenses in the Statement of Total Return includes these expenses even if they are met from the capital property of the Fund. In such cases, the amount a Fund has to distribute will exceed its net revenue and this is detailed in the notes to the financial statements where it occurs.

Names and addresses of the ACD, Registrar, Investment Adviser and Auditors are contained on page 2 of the Interim Report and Financial Statements. The investment objective of each Fund is disclosed within the individual Fund reports. How these objectives were achieved and any investment activities is disclosed on pages 7-10.

Copies of the most recent Prospectus is available online at [standardlifeinvestments.com](http://standardlifeinvestments.com)

I hereby certify the Interim Report and Financial Statements on behalf of the Directors of Standard Life Investments (Mutual Funds) Limited.

**Director**  
**Standard Life Investments (Mutual Funds) Ltd**  
**29 February 2016**



# Standard Life Investment Company III Interim Report & Financial Statements

## Statement of Authorised Corporate Director's Responsibilities

The Open-Ended Investment Companies Regulations 2001 and the rules contained in the Collective Investment Schemes sourcebook require the ACD to prepare financial statements for each annual and half-yearly accounting period which give a true and fair view of the financial position of the Company and of its net revenue/expenses and net gains/losses on the property of the Company for the period and to lay copies of the annual report before the Company in a general meeting.

In preparing the financial statements the ACD is required to:

- ▶ select suitable accounting policies then apply them consistently;
- ▶ comply with the disclosure requirements of the Statement of Recommended Practice for the Financial Statements of Authorised Funds issued by the Investment Management Association (IMA)\* in May 2014;
- ▶ follow generally accepted accounting principles and applicable accounting standards;
- ▶ make judgements and estimates which are reasonable and prudent;
- ▶ keep proper accounting records, which enable it to demonstrate that the Report and Financial Statements, as prepared, comply with the above requirements; and
- ▶ prepare the financial statements on a going concern basis unless it is inappropriate to presume that the scheme will continue in operation.

The ACD is responsible for the management of the Company in accordance with the Instrument of Incorporation, Prospectus and the Regulations and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors of Standard Life Investments Limited are responsible for the maintenance of Standard Life Investments Limited website.

The ACD confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 December 2014. The ACD also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

\*The Investment Management Association changed to the Investment Association (IA) in January 2015.

# Standard Life Investment Company III Interim Report & Financial Statements

## Investment Report

MyFolio Global Overview: 1 July 2015 - 31 December 2015

### Market themes

#### Equities

- ▶ Global equity markets were volatile over the period
- ▶ Fears over Chinese economic growth dominated sentiment
- ▶ Central bank monetary policy was another key feature

After making steady progress early in the year, global equity markets subsequently became more volatile. Expansive monetary policy from the world's major central banks provided some support, while the economic outlook also brightened (notably in the UK and US). However, investors faced a host of challenges. These included rising geopolitical tensions, the sell-off in emerging markets and the prospect of a US Federal Reserve (Fed) rate hike. The plunge in the oil price and rising US dollar also created winners and losers.

Concerns about China took centre stage during the period. Economic data from the country was generally disappointing, leading policymakers to launch a series of stimulus measures. Worryingly, the Chinese authorities' decision to devalue the yuan in August led many to conclude that conditions were worse than the government would care to admit. This led to a huge self-off in Chinese equities, although markets rebounded in December as concerns eased somewhat.

The divergence of monetary policy was another notable theme over 2015. The central banks of China, Japan and Europe all expanded their operations in one form or another. By contrast, the Fed raised rates in December, while the Bank of England hinted that it might start to tighten at some point in 2016.

#### Fixed income

- ▶ Volatility increased among fixed income markets
- ▶ Performance of government bond markets was mixed
- ▶ Falling commodity prices influenced corporate bonds, particularly energy companies

Within fixed income, markets generally felt the impact of increased volatility during the period. Key themes included speculation over central bank policy, particularly the timing of an interest rate rise in the US, collapsing commodity prices and Chinese growth fears.

Returns from global government bonds proved mixed as central bank rhetoric and falling commodity prices caused fluctuations in investor sentiment. While the announcement of the first US interest rate hike for more than seven years was undoubtedly a watershed moment, it was widely expected and met with little market reaction. A renewed fall in the oil price combined with a lacklustre extension of policy measures from the ECB proved more difficult for investors to shrug off. This prompted a broad weakening in core government bonds, although yields remained historically low.

In corporate bond markets, commodity price volatility continued to worry investors. Brent oil traded down to below \$40 a barrel, refreshing fears for the energy and metals & mining sectors. Meanwhile, China's devaluation of its currency and fears of a global growth slowdown meant that a risk-off attitude returned. Following the turbulent summer months, European corporate bond markets recovered somewhat in October and November. However, hopes of a boost from monetary policy were dashed, as the scale of purchases and a deposit rate cut from the ECB underwhelmed investors.

#### UK direct real estate

- ▶ UK commercial real estate continued to deliver positive returns
- ▶ Domestic economic strength supported the asset class
- ▶ Capital values started to moderate but rental growth held firm

UK commercial real estate delivered further positive performance during the period. However, returns started to moderate, with capital value growth slowing and rental growth emerging as a key driver of future returns.

The ongoing UK economic recovery and low interest rate environment continued to benefit commercial real estate, helping it avoid much of the volatility that plagued other asset classes. However, total returns did start to moderate following very strong performance in recent years, largely because of a decline in capital value growth. Rental values made further progress, however, reaching 4.2% in the 12 months to end-December, according to the IPD Monthly Index.

Given its robust performance, a broad range of investors were active in the real estate market. This included overseas investors, UK institutions and private companies. The number of transactions tailed off towards the end of the year, however, with total investment worth £11 billion in the fourth quarter of 2015, the lowest volume for any quarter in the year. As a result, investment for 2015 totalled £60.5 billion, which was marginally lower than the £63.3 billion recorded in 2014.

#### Market outlook

##### Equities

Within global equities, we expect a continuation of many of the themes that characterised 2015. These include concerns about global growth, divergent monetary policy and deflationary pressures thanks to lower commodity prices (notably oil). However, there are other factors to consider, notably the Brexit vote in the UK, the 45th US presidential election, Europe's migrant crisis and ongoing geopolitical risks. As such, we forecast intermittent bouts of volatility throughout the year. Given these factors, we remain cautious on the outlook for 2016. Nonetheless, we believe there are numerous opportunities for long-term investors.

# Standard Life Investment Company III Interim Report & Financial Statements

## Investment Report

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### Fixed Income

Many government bond markets, including UK gilts, are expensive in our view. In the UK, a strong economy should allow the Bank of England to raise interest rates, which would be negative for bondholders. Turning to corporate bonds, the strength of sterling could have an impact on economic data, which would lend technical support to this area of the fixed income market. Geopolitical risk continues to lend a cautious tone to markets, while the Brexit vote will be a central domestic political event to monitor.

### UK direct real estate

We expect reasonable positive total returns for UK real estate investors over a three-year period. Rental growth is taking over from inward yield movement as the main driver of growth. With improving economic drivers and a constrained but growing pipeline of new developments, real estate therefore remains attractive. Rising interest rates are an emerging risk but there is a reasonable buffer in the pricing of UK commercial real estate to compensate if investors price in any further acceleration of rate rises.

### Investment Activity - MyFolio Funds\*

#### Activity from 1 July 2015 to 31 December 2015

The SLIC III OEIC umbrella contains 26 sub-funds including 25 under the MyFolio brand. We split the 25 MyFolio sub-funds into three distinct groups and each has a different investment style.

**MyFolio Market Funds** – invest predominantly in index-tracking funds. We include property and high yield bond exposure by investing in active property and high yield bond funds.

**MyFolio Managed Funds** – invest predominantly in funds managed by Standard Life Investments. We also have the option to invest in funds run by external fund managers where a suitable fund is not available within the Standard Life Investments range. Within the MyFolio Managed range, we also offer five income options, which aim to provide an income-focused total return.

**MyFolio Multi-Manager Funds** – portfolios of carefully selected funds from some of the leading managers in the market. Within the MyFolio Multi-Manager range, we also offer five income options, which aim to provide an income-focused total return.

### Strategic asset allocation

We decide upon and review the strategic asset allocation (SAA) benchmark for all the funds each quarter. In doing so, we consult with Moody's Analytics, world-leading experts in financial risk modelling, to establish the optimum strategic asset allocation for each fund.

Investors should note that Moody's Analytics have not modelled the absolute return exposure within the Managed and Multi-Manager Funds. This is a matter of judgement and we have elected to replace 20% of their growth assets and 10% of their defensive assets with absolute return components.

During the period, we concluded that a change in SAA would potentially improve the prospects for long-term risk-adjusted returns. As a result, we reduced exposure to some defensive assets and increased exposure to growth assets, while maintaining the overall relative risk profile of each portfolio.

Within fixed income, we reduced our holding in gilts while modestly increasing exposure to corporate bonds at lower risk levels. We also added a position in shorter duration fixed income. Within growth assets, we made a proportional increase in regional equities, maintaining our preference for developed economies over emerging economies.

Market Funds					
	I	II	III	IV	V
Cash & Money Markets	9.5%	1.0%	1.0%	1.0%	1.0%
UK Gilts	5.2%	0.0%	0.0%	0.0%	0.0%
Short dated UK Gilts	5.2%	0.0%	0.0%	0.0%	0.0%
Global Index Linked Bonds	6.0%	6.9%	3.8%	1.0%	0.0%
Short Dated Global Index Linked Bonds	6.0%	6.9%	3.8%	1.0%	0.0%
Sterling Corporate Bonds	19.5%	17.4%	10.0%	3.5%	0.0%
Short Dated Sterling Corporate Bonds	19.5%	17.4%	10.0%	3.5%	0.0%
Absolute Returns Bonds	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Defensive Assets</b>	<b>70.9%</b>	<b>49.6%</b>	<b>28.6%</b>	<b>10.0%</b>	<b>1.0%</b>
UK Equities	9.6%	16.6%	23.6%	29.8%	32.7%
US Equities	5.8%	12.2%	18.2%	24.9%	30.8%
European Equities	1.3%	2.8%	4.2%	5.7%	7.1%
Japan Equities	1.0%	2.2%	3.2%	4.4%	5.5%
Asia Pacific Equities	0.8%	1.6%	2.4%	3.2%	4.0%
Emerging Market Equities	1.7%	3.6%	5.4%	7.3%	9.1%
Sterling Hedged Global High Yield	2.9%	3.8%	3.7%	4.5%	4.9%
Emerging Market Debt	1.6%	0.0%	0.0%	0.0%	0.0%
UK Property	4.4%	7.6%	10.7%	10.2%	4.9%
Absolute Returns	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Growth Assets</b>	<b>29.1%</b>	<b>50.4%</b>	<b>71.4%</b>	<b>90.0%</b>	<b>99.0%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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## Investment Report

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Managed Funds and Multi-Manager Funds						Managed Income and Multi-Manager Income Funds					
	I	II	III	IV	V		I	II	III	IV	V
Cash & Money Markets	8.6%	1.0%	1.0%	1.0%	1.0%	Cash & Money Markets	4.5%	1.0%	1.0%	1.0%	1.0%
UK Gilts	4.7%	0.0%	0.0%	0.0%	0.0%	UK Gilts	6.0%	0.0%	0.0%	0.0%	0.0%
Short dated UK Gilts	4.7%	0.0%	0.0%	0.0%	0.0%	Short dated UK Gilts	6.0%	0.0%	0.0%	0.0%	0.0%
Global Index Linked Bonds	5.4%	6.2%	3.4%	0.9%	0.0%	Global Index Linked Bonds	5.0%	4.0%	1.8%	0.4%	0.0%
Short Dated Global Index Linked Bonds	5.4%	6.2%	3.4%	0.9%	0.0%	Short Dated Global Index Linked Bonds	5.0%	4.0%	1.8%	0.4%	0.0%
Sterling Corporate Bonds	17.5%	15.6%	9.0%	3.1%	0.0%	Sterling Corporate Bonds	17.6%	15.2%	9.0%	3.6%	0.0%
Short Dated Sterling Corporate Bonds	17.5%	15.6%	9.0%	3.1%	0.0%	Short Dated Sterling Corporate Bonds	17.6%	15.2%	9.0%	3.6%	0.0%
Absolute Returns Bonds	7.1%	5.0%	2.9%	1.0%	0.0%	Absolute Returns Bonds	6.8%	4.4%	2.5%	1.0%	0.0%
<b>Defensive Assets</b>	<b>70.9%</b>	<b>49.6%</b>	<b>28.6%</b>	<b>10.0%</b>	<b>1.0%</b>	<b>Defensive Assets</b>	<b>68.4%</b>	<b>43.8%</b>	<b>25.0%</b>	<b>10.0%</b>	<b>1.0%</b>
UK Equities	7.7%	13.3%	18.9%	23.8%	26.2%	UK Equities	4.3%	14.9%	19.9%	23.8%	26.3%
US Equities	4.6%	9.8%	14.5%	19.9%	24.6%	US Equities	4.8%	7.0%	11.2%	13.5%	22.4%
European Equities	1.1%	2.2%	3.4%	4.6%	5.7%	European Equities	1.2%	1.6%	2.6%	3.1%	5.2%
Japan Equities	0.8%	1.7%	2.5%	3.5%	4.4%	Japan Equities	0.9%	1.2%	2.0%	2.4%	4.0%
Asia Pacific Equities	0.6%	1.3%	1.9%	2.6%	3.2%	Asia Pacific Equities	0.6%	0.9%	1.5%	1.8%	2.9%
Emerging Market Equities	1.4%	2.9%	4.3%	5.8%	7.3%	Emerging Market Equities	1.5%	2.0%	3.3%	4.0%	6.7%
Sterling Hedged Global High Yield	2.3%	3.0%	3.0%	3.6%	3.9%	Sterling Hedged Global High Yield	4.3%	4.5%	6.0%	7.2%	3.9%
Emerging Market Debt	1.3%	0.0%	0.0%	0.0%	0.0%	Emerging Market Debt	2.6%	4.5%	6.0%	7.2%	3.9%
UK Property	3.5%	6.1%	8.6%	8.2%	3.9%	UK Property	5.1%	8.4%	7.5%	9.0%	3.9%
Absolute Returns	5.8%	10.1%	14.3%	18.0%	19.8%	Absolute Returns	6.3%	11.2%	15.0%	18.0%	19.8%
<b>Growth Assets</b>	<b>29.1%</b>	<b>50.4%</b>	<b>71.4%</b>	<b>90.0%</b>	<b>99.0%</b>	<b>Growth Assets</b>	<b>31.6%</b>	<b>56.2%</b>	<b>75.0%</b>	<b>90.0%</b>	<b>99.0%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## Investment Report

(Continued)

### Tactical asset allocation

During 2015, we positioned the Tactical Asset Allocation for a favourable economic backdrop, characterised by sub-trend growth and low but slowly rising interest rates. In this environment, we sought to achieve the best risk-adjusted returns by holding assets linked to countries where central bank policy is supportive and credit dynamics are improving.

We maintained an overweight position in European and Japanese equities throughout the period, where QE programmes and currency depreciation proved supportive. We also maintained a neutral position in UK equities, as the market faced a number of issues including falling commodity prices. Meanwhile, we remained underweight in US equities, as US dollar strength was detrimental for the equity market. We also maintained underweight positions in emerging market and Asia-Pacific equities, where concerns over China and the strong US dollar caused similar difficulties.

We added an overweight position in high yield bonds during the period, as valuations looked attractive. Elsewhere, we continued to hold an underweight position in government bonds, where valuations were expensive, and were broadly neutral in corporate bonds. We continued to hold an overweight position in UK commercial real estate, which performed well over the period.

Not all of the MyFolio funds invest in every asset class. Therefore, the tactical asset allocation overweight and underweight positions listed above may not apply to some funds.

### Cautionary note

You should remember that past performance is not a guide to future performance. The value of investments may go down as well as up. Therefore, you may not get back the amount originally invested.

# Standard Life Investment Company III Interim Report & Financial Statements

## Accounting Policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA)\* in May 2014.

The interim financial statements have been prepared in accordance with the accounting policies set out in the most recent annual financial statements.

\*The Investment Management Association changed to the Investment Association (IA) in January 2015.

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

### Investment Report

#### Fund Information

**Fund Manager** Multi-Asset Investing Team

**Launch Date** 20 November 2013

#### Investment objective

The Fund aims to provide a long term total return through capital appreciation and income by investing in a diversified portfolio of assets.

#### Investment policy

The current policy of the Fund is to invest in collective investment schemes, permitted derivative contracts (including futures options, swaps, swaptions, forward currency contracts and other derivatives), equities, equity type investments, fixed interest securities, deposits, money market instruments, cash and near cash in such proportions as the Investment Adviser may from time to time determine. This may mean that at any time the Fund may have a large exposure to collective investment schemes.

“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, subject to and in accordance with the FCA Rules, take long and short positions in markets, securities and groups of securities through derivative contracts.

The Fund may, subject to obtaining the requisite approval from the FCA and on giving not less than 60 days’ notice to holders in the Fund, also invest in immovable property in pursuit of its investment objective in the future.

#### Risk

It is intended for investors who wish to participate in the potential growth opportunities over the medium to longer term afforded by investing in a portfolio consisting of collective investment schemes, derivatives, transferable securities, immovable property, deposits, cash and near cash. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept temporary capital losses due to the potentially volatile nature of the assets held and should therefore have an investment time horizon of at least 5 years.

#### Environment

The Enhanced-Diversification Growth Fund aims to deliver equity-like returns over the market cycle, with no more than two-thirds of equity market volatility.

The Fund returned 0.90% (net of fees) in the 6-month review period, compared with the MSCI World Index return of 1.72% (gross of fees). In delivering this return, the Fund met its volatility objective.

Worries over slowing Chinese growth dominated the first half of the review period, accentuated by the surprise devaluation of the renminbi in August. Futile attempts by the Chinese government to curb heavy selling of local equities rattled global markets more widely. Citing doubts over global growth, the US Federal Reserve again deferred raising interest rates despite upbeat domestic economic data. Against this backdrop, investors pursued the relative safety of global bonds, which generally delivered positive returns. Government bonds outperformed and yields fell steeply; investment grade credit made modest gains, while high yield credit struggled.

Global equities subsequently recovered, although performance in December was marred by renewed weakness in commodities and concerns over global growth. In the US, strong economic data and the Federal Reserve’s (Fed) decision to raise interest rates for the first time since 2006 provided support. European equities also gained ground, despite disappointment over a promised stimulus package from the central bank. Government bonds largely followed the divergent policy actions of their respective central banks. Credit markets were mixed. In particular, the falling oil price took a heavy toll on US high yield credit, where large redemptions forced several high yield funds to close and prompted the implementation of a withdrawal cap.

#### Investment Activity

We opened a Mexican rates versus euro currency pair. Mexico is an investment grade country with solid debt sustainability metrics and an attractive yield on its bonds. In July, we exited our Brazilian government bonds strategy after S&P placed Brazil on negative watch amid the ongoing corruption scandal. We opened a European long-end steepener strategy, expecting central bank actions to push up long-term inflation expectations, thereby causing the yield curve to steepen.

We closed our long US dollar positions versus the euro and Canadian dollar following strong performance, and introduced a long US dollar versus Australian dollar currency pair. As China transitions towards a more consumer-focused economy, its dependence on resources will lessen. This and oversupply of certain commodities will put Australia’s terms of trade under pressure. Elsewhere, we established a long US dollar versus Taiwanese dollar strategy. Economic growth in Taiwan is subdued due to over-reliance on Chinese demand, and exchange rate competitiveness is crucial to sustaining growth. We closed our long US equity strategy, later initiating a long Indian versus Brazilian equity position that aims to profit from India’s superior fundamentals compared with Brazil.

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

### Investment Report (Continued)

We later exited our Mexican peso versus Australian dollar currency pair and introduced a Mexican rates versus Australian dollar strategy to benefit from the relative cheapness of the peso and Mexico's investment grade status. In light of other changes to the portfolio and to adjust the overall duration exposure, we closed our US butterfly strategy. We also exited our Australian duration position, which was now expressed by other strategies. In November, we reduced our exposure to high yield credit, replacing it with a US investment grade strategy to take advantage of attractive credit spreads and mindful of the risks for high yield issuers from falling oil prices and rising debt defaults.

Finally, we introduced a long US dollar versus euro strategy. This increases our short euro exposure and positions the portfolio to benefit from the divergence in monetary policy between Europe and the US that will likely persist in the medium term.

### Performance

#### Market Risk

Global stockmarkets tumbled early in the review period, and our Chinese, Japanese and European equity strategies all posted negative returns. Similarly, the energy-led sell-off in high yield credit hurt our exposure here. Global equities subsequently rebounded at the start of the fourth quarter, which resulted in strong positive returns from our Japanese and European equity positions.

#### Enhanced Diversifiers

In the first half of the review period, our Japanese versus Korean equity strategy lost value. Korean equities exhibited lower sensitivity to the global equity market sell-off than did Japanese stocks, and also reacted favourably to the Fed's decision to leave rates unchanged. On the positive side, the fall in US equities was more pronounced in the small-cap segment owing to its significant exposure to the energy sector. This benefited our US equity technology versus small-cap position. Our newly introduced Indian versus Brazilian equity strategy also contributed positively. Brazilian equities declined in the face of the country's weak economic outlook and political uncertainty. Among our currency pairs, the New Zealand dollar came under pressure from commodity price weakness and slowing Chinese growth, as well as poor consumer confidence data. Consequently, our long Indian rupee versus New Zealand dollar currency pair was profitable. Similarly, concerns over slowing growth in China caused the Korean won to depreciate, supporting our long US dollar versus Korean won position.

In the second half of the review period, the solid performance of Japanese stock markets boosted our Japanese versus Korean equity strategy. Also profitable was our US equity technology versus small-cap strategy. US small-caps underperformed the market rally and also suffered most in December's commodity-led sell-off. Our Indian versus Brazilian equity strategy gained ground. Led by raw material producers, Brazilian equities declined amid persistent weakening of commodity prices, while new figures underscored Brazil's fragile economic outlook. Adding to the uncertainty, the scandal-ridden government of President Dilma Rousseff remains in a precarious position. Turning to currencies, our long US dollar versus Korean won pair dragged on performance. The won rose as third-quarter growth surpassed forecasts, igniting hopes of economic recovery. Also negative was our long Indian rupee versus New Zealand dollar strategy. The New Zealand dollar strengthened after comments by the central bank dampened expectations of another imminent rate cut. The Australian dollar appreciated during the fourth quarter, leading to losses from both our long US dollar versus Australian dollar and Mexican rates versus Australian dollar strategies. Australia's currency was bolstered by better-than-expected labour market figures and the central bank's decision to keep interest rates unchanged, despite slowing demand from China.

#### Outlook

Our central expectation is still for modest global growth, albeit with regional variations. A growing divergence in central bank monetary policy will remain an important driver of asset returns. The US has finally embarked on monetary tightening, whereas economies in Europe and Asia maintain a looser monetary path. Geopolitical tensions remain high and on many metrics asset prices appear expensive. We seek to exploit the opportunities that these conditions present by implementing a diversified range of strategies using multiple asset classes.



# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

### Investment Report (Continued)

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
SLI Global SICAV High Yield Bond	9,377
SLI Global SICAV Continental European Equity Income	8,121
SLI UK Property Accumulation Feeder	4,387
SLI Japan Trust	3,780
Mexico (Govt of) 10% 2024	3,016
Mexico (Govt of) 7.5% 2027	2,448
Other purchases	25,160
<b>Total purchases</b>	<b>56,289</b>

Sales	Proceeds £'000
SLI Global SICAV High Yield Bond	6,961
SLI Global SICAV Indian Equities	3,071
Other sales	10,349
<b>Total sales</b>	<b>20,381</b>

## Synthetic Risk & Reward Indicator

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

1	2	3	4	5	6	7
			<b>4</b>			

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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 request 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 III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Bond Funds (21.88%)	15.41
Equity Funds (33.29%)	29.68
Property Fund (9.54%)	9.32
Money Market Funds (16.22%)	21.23
Brazilian Real Denominated Government Bonds (5.68%)	-
Mexican Peso Denominated Government Bonds (0.00%)	6.41
Pacific Basin Equity (0.54%)	0.61
Derivatives (1.72%)	(2.23)
Net other assets (11.13%)	19.57

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Continental European Equity Income SICAV	15.36
SLI Global High Yield Bond SICAV	10.00
SLI UK Property Feeder	9.32
SLTM Japan Trust	9.20
Mexico (Govt of) 10% 2024	3.50
Mexico (Govt of) 7.5% 2027	2.91
SLI European Equity Income	2.79
SLI Global European Corporate Bond SICAV	2.72
SLI Investment Grade Corporate Bond	2.69
SLI China Equity SICAV	2.33

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2014	1	52.01	1,200
	30 June 2015	401	57.65	694,918
	31 December 2015	414	57.88	714,917
Standard Life accumulation	30 June 2014	145	51.36	281,846
	30 June 2015	549	57.38	957,696
	31 December 2015	795	57.83	1,374,647
Standard Life B accumulation	30 June 2014	10,473	52.36	20,001,000
	30 June 2015	11,724	58.61	20,002,000
	31 December 2015	52,796	59.13	89,285,488
Platform 1 accumulation	30 June 2014	14	52.07	27,897
	30 June 2015	222	57.89	384,025
	31 December 2015	1,060	58.20	1,821,748
Platform fixed accumulation	30 June 2014	11	52.20	21,000
	30 June 2015	13	58.15	22,000
	31 December 2015	2,007	58.50	3,431,264
Institutional fixed accumulation	30 June 2014	78	52.23	149,130
	30 June 2015	23,615	58.28	40,517,503
	31 December 2015	26,484	58.66	45,147,499

  

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2013*	-	51.42	50.00
	2014	0.0000	55.77	50.26
	2015	0.3189	59.83	54.20
Standard Life accumulation	2014**	0.0447	55.32	50.00
	2015	0.6366	59.45	53.79
	2013*	-	51.44	50.00
Standard Life B accumulation	2014	0.2780	56.45	50.28
	2015	0.7341	60.70	54.90
	2013*	-	51.39	50.00
Platform 1 accumulation	2014	0.0103	55.95	50.20
	2015	0.3824	60.05	54.38
	2013*	-	51.41	50.00
Platform fixed accumulation	2014	0.1169	56.15	50.23
	2015	0.4411	60.27	54.59
	2013*	-	51.42	50.00
Institutional fixed accumulation	2014	0.1498	56.22	50.24
	2015	0.5321	60.43	54.66
	2013*	-	51.42	50.00

\* from launch of the Fund on 20 November 2013  
\*\* from commencement of the share class on 11 February

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

Comparative Tables (continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.15%	1.15%
Standard Life accumulation	0.23%	0.23%
Standard Life B accumulation*	0.00%	0.00%
Platform 1 accumulation	0.93%	0.93%
Platform fixed accumulation*	0.65%	0.65%
Institutional fixed accumulation*	0.50%	0.50%

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.

\* The OCF for these share classes are fixed.

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		547		504
Revenue	409		63	
Expenses	(70)		(1)	
Interest and similar charges	(4)		0	
Net revenue before taxation	335		62	
Taxation	(63)		(9)	
Net revenue after taxation		272		53
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>819</b>		<b>557</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		36,524		10,722
Amounts receivable on issue of shares	48,981		820	
Amounts payable on cancellation of shares	(3,191)		(185)	
		45,790		635
Dilution adjustment*		423		5
Change in net assets attributable to shareholders from investment activities (see above)		819		557
<b>Closing net assets attributable to shareholders</b>		<b>83,556</b>		<b>11,919</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		68,904		31,150
Current assets:				
Debtors	2,914		15	
Cash and bank balances	13,678		4,588	
Cash equivalents	1,613		1,919	
		18,205		6,522
Total assets		87,109		37,672
<b>Liabilities</b>				
Investment liabilities		(3,317)		(611)
Creditors	(236)		(537)	
		(236)		(537)
Total liabilities		(3,553)		(1,148)
<b>Net assets attributable to shareholders</b>		83,556		36,524

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (64.71%)</b>	<b>45,472</b>	<b>54.41</b>
<b>Bond Funds (21.88%)</b>	<b>12,876</b>	<b>15.41</b>
167,016 SLI Global European Corporate Bond SICAV	2,274	2.72
865,252 SLI Global High Yield Bond SICAV	8,354	10.00
2,914,561 SLI Investment Grade Corporate Bond	2,248	2.69
<b>Equity Funds (33.29%)</b>	<b>24,804</b>	<b>29.68</b>
57,128 SLI China Equity SICAV	1,950	2.33
1,253,065 SLI Continental European Equity Income SICAV	12,837	15.36
2,124,646 SLI European Equity Income	2,333	2.79
22,999,398 SLTM Japan Trust	7,684	9.20
<b>Property Fund (9.54%)</b>	<b>7,792</b>	<b>9.32</b>
13,727,964 SLI UK Property Feeder	7,792	9.32
<b>Money Market Funds (16.22%)</b>	<b>17,710</b>	<b>21.23</b>
900,000 Abbey National Treasury CD 0.6% 06/04/2016	900	1.08
900,000 ABN Amro Bank CD 0% 04/05/2016	898	1.07
600,000 Bank of America CD 0.58% 22/03/2016	600	0.72
900,000 Bank of America CD 0.635% 22/03/2016	900	1.08
700,000 Banque Federative CP 0.73% 01/03/2016	699	0.84
900,000 BNP Paribas CD 0.64% 14/03/2016	900	1.08
900,000 Credit Agricole CD 0.63% 09/03/2016	900	1.08
900,000 Credit Suisse First CD 0.75% 12/04/2016	900	1.08
500,000 Den Norske Bank CD 0.655% 22/01/2016	500	0.60
500,000 Deutsche Bank CD 0.74% 02/03/2016	500	0.60
1,500,000 DZ Bank CD 0.62% 15/04/2016	1,500	1.80
900,000 ING Bank CD 0.69% 01/03/2016	900	1.08
1,500,000 National Australia CD 0.74% 17/06/2016	1,500	1.79
500,000 National Bank of ABU CD 0.7% 12/01/2016	500	0.60
600,000 Natixis CD 0.76% 03/05/2016	600	0.72
900,000 Natixis CD 0.82% 03/05/2016	900	1.08
800,000 Nordea Bank CD 0% 25/01/2016	800	0.96

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Money Market Funds (continued)</b>		
139,000 SLI Seabury EUR VNAV Liquidity Fund*	102	0.12
1,511,039 SLI Seabury GBP VNAV Liquidity Fund*	1,511	1.81
900,000 Sumitomo Mitsui CD .68% 03/03/2016	900	1.08
800,000 UBS CD 0.75% 08/02/2016	800	0.96
<b>Government Bonds (5.68%)</b>	<b>5,358</b>	<b>6.41</b>
<b>Brazilian Real Denominated Government Bonds (5.68%)</b>	-	-
<b>Mexican Peso Denominated Government Bonds (0.00%)</b>	<b>5,358</b>	<b>6.41</b>
57,000,000 Mexico (Govt of) 7.5% 2027	2,431	2.91
59,200,000 Mexico (Govt of) 10% 2024	2,927	3.50
<b>Pacific Basin Equity (0.54%)</b>	<b>513</b>	<b>0.61</b>
704 Samsung Electronics	513	0.61
<b>Derivatives (1.72%)</b>	<b>(1,853)</b>	<b>(2.23)</b>
<b>Credit Default Swaps (0.00%)</b>	<b>135</b>	<b>0.16</b>
USD 37,200,000 Sell CDX Investment Grade Series 25 20/12/2020 1%	135	0.16
<b>Equity Index Options (0.10%)</b>	<b>(232)</b>	<b>(0.29)</b>
13,380,651 Buy Put KOSPI 200 Index 08/09/2016	54	0.06
19,534,282 Buy Put KOSPI 200 Index 08/09/2016	87	0.10
13,380,651 Sell Call KOSPI 200 Index 08/09/2016	(158)	(0.19)
19,534,282 Sell Call KOSPI 200 Index 08/09/2016	(215)	(0.26)
<b>Exchange Traded Options (-0.05%)</b>	-	-
<b>Forward Currency Contracts (2.10%)</b>	<b>(1,921)</b>	<b>(2.31)</b>
Buy BRL 13,600,000 Sell GBP 2,263,648 18/02/2016	33	0.04
Buy BRL 13,430,000 Sell USD 3,431,974 23/02/2016	(63)	(0.08)
Buy EUR 320,000 Sell GBP 231,700 18/02/2016	4	0.00
Buy EUR 460,800 Sell GBP 325,212 18/02/2016	15	0.02
Buy EUR 540,000 Sell GBP 388,432 18/02/2016	10	0.01



# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Forward Currency Contracts (continued)</b>		
Buy EUR 1,297,000 Sell GBP 954,713 18/02/2016	2	0.00
Buy GBP 2,515,608 Sell AUD 5,390,000 19/02/2016	(140)	(0.17)
Buy GBP 330,757 Sell CHF 510,000 18/02/2016	(16)	(0.02)
Buy GBP 2,718,154 Sell CHF 4,130,000 18/02/2016	(88)	(0.11)
Buy GBP 539,151 Sell DKK 5,672,000 18/02/2016	(22)	(0.03)
Buy GBP 223,541 Sell EUR 317,800 18/02/2016	(11)	(0.01)
Buy GBP 13,319,168 Sell EUR 18,800,000 18/02/2016	(554)	(0.66)
Buy GBP 1,493,253 Sell EUR 2,110,000 19/02/2016	(64)	(0.08)
Buy GBP 1,985,531 Sell HKD 23,330,000 18/02/2016	(58)	(0.07)
Buy GBP 2,293,556 Sell INR 234,000,000 18/02/2016	(92)	(0.11)
Buy GBP 245,553 Sell JPY 45,700,000 18/02/2016	(12)	(0.01)
Buy GBP 3,879,144 Sell JPY 723,000,000 18/02/2016	(203)	(0.24)
Buy GBP 3,486,453 Sell JPY 650,000,000 19/02/2016	(184)	(0.22)
Buy GBP 239,139 Sell KRW 420,000,000 18/02/2016	(3)	0.00
Buy GBP 76,453 Sell NOK 1,000,000 18/02/2016	0	0.00
Buy GBP 927,132 Sell SEK 12,200,000 18/02/2016	(56)	(0.07)
Buy GBP 260,260 Sell USD 392,500 18/02/2016	(6)	(0.01)
Buy GBP 358,415 Sell USD 540,000 18/02/2016	(8)	(0.01)
Buy GBP 1,328,446 Sell USD 1,970,000 18/02/2016	(8)	(0.01)
Buy GBP 2,118,190 Sell USD 3,220,000 18/02/2016	(67)	(0.08)
Buy GBP 11,754,857 Sell USD 17,829,573 18/02/2016	(343)	(0.41)
Buy GBP 1,366,646 Sell USD 2,080,259 19/02/2016	(45)	(0.05)
Buy GBP 57,548 Sell USD 86,957 23/02/2016	(1)	0.00
Buy GBP 1,024,512 Sell USD 1,550,000 18/03/2016	(27)	(0.03)
Buy HKD 3,500,000 Sell GBP 299,886 18/02/2016	6	0.01
Buy INR 234,000,000 Sell GBP 2,306,782 18/02/2016	75	0.09
Buy INR 391,300,000 Sell USD 5,832,464 18/02/2016	25	0.03
Buy INR 469,490,000 Sell USD 6,997,913 18/02/2016	30	0.04
Buy JPY 52,000,000 Sell GBP 283,726 19/02/2016	10	0.01
Buy USD 3,460,625 Sell AUD 4,880,000 19/02/2016	(56)	(0.07)
Buy USD 3,518,931 Sell BRL 13,430,000 23/02/2016	119	0.14
Buy USD 2,084,897 Sell EUR 1,940,000 19/02/2016	(17)	(0.02)
Buy USD 5,051,541 Sell EUR 4,630,000 19/02/2016	11	0.01
Buy USD 5,687,255 Sell EUR 5,292,000 19/02/2016	(47)	(0.06)
Buy USD 8,687,073 Sell GBP 5,783,489 18/02/2016	109	0.13
Buy USD 390,000 Sell GBP 257,138 18/03/2016	7	0.01

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Forward Currency Contracts (continued)</b>		
Buy USD 9,394,590 Sell KRW 10,940,000,000 19/02/2016	63	0.08
Buy USD 58,399 Sell NZD 89,700 18/02/2016	(2)	0.00
Buy USD 6,889,604 Sell NZD 10,625,300 19/02/2016	(249)	(0.30)
Buy USD 4,587,715 Sell TWD 150,500,000 19/02/2016	2	0.00
<b>Futures (-0.03%)</b>		
164 Long Australian 10 Year Bond Future 15/03/2016	22	0.03
114 Long NASDAQ 100 E-Mini Future 18/03/2016	(12)	(0.01)
39 Long Nikkei 225 (OSE) Future 10/03/2016	(154)	(0.18)
234 Long SGX CNX Nifty Index Future 28/01/2016	24	0.03
(93) Short Russell 2000 Mini Future 18/03/2016	(37)	(0.04)
<b>Interest Rate Swaps (0.04%)</b>		
EUR 2,170,000 Pay fixed 1.72% receive floating EURIBOR 17/08/2048	17	0.02
EUR 1,210,000 Pay fixed 1.741% receive floating EURIBOR 23/10/2048	7	0.01
EUR 1,990,000 Pay fixed 1.7615% receive floating EURIBOR 17/09/2048	3	0.00
GBP 1,880,000 Pay fixed 2.05875% receive floating GBP-LIBOR 01/04/2025	27	0.03
GBP 795,000 Pay fixed 2.33% receive floating GBP-LIBOR 29/05/2025	2	0.00
GBP 4,160,000 Pay fixed 2.335% receive floating GBP-LIBOR 14/09/2025	15	0.02
GBP 8,700,000 Pay fixed 2.36% receive floating GBP-LIBOR 21/10/2025	24	0.03
GBP 665,000 Pay fixed 2.5075% receive floating GBP-LIBOR 02/12/2024	(5)	(0.01)
GBP 670,000 Pay fixed 2.97% receive floating GBP-LIBOR 29/08/2024	(20)	(0.02)
EUR 9,700,000 Pay floating EURIBOR receive fixed 0.834% 23/10/2021	(2)	0.00
EUR 16,200,000 Pay floating EURIBOR receive fixed 0.8475% 17/09/2021	12	0.01
EUR 17,800,000 Pay floating EURIBOR receive fixed 0.881% 17/08/2021	38	0.05
<b>Swaptions (0.44%)</b>		
JPY 947,000,000 Pay fixed 0.5475% Receive floating JPY-LIBOR-BBA 02/04/2018 - 05/04/2023	24	0.03
JPY 1,290,000,000 Pay fixed 0.56125% Receive floating JPY-LIBOR-BBA 14/09/2018 - 19/09/2023	44	0.05
JPY 89,000,000 Pay fixed 0.61% Receive floating JPY-LIBOR-BBA 04/12/2017 - 06/12/2022	1	0.00
JPY 481,000,000 Pay fixed 0.623% Receive floating JPY-LIBOR-BBA 29/05/2018 - 31/05/2023	12	0.01
EUR 7,760,000 Pay floating EURIBOR Receive fixed 0.77% 02/04/2018 - 05/04/2023	(123)	(0.15)

# Standard Life Investment Company III Interim Report & Financial Statements

## Enhanced-Diversification Growth Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Swaptions (continued)</b>		
EUR 3,210,000 Pay floating EURIBOR Receive fixed 1.10% 29/05/2018 - 31/05/2023	(36)	(0.04)
EUR 248,500 Pay floating EURIBOR Receive fixed 1.13% 04/12/2017 - 06/12/2022	(2)	0.00
EUR 9,330,000 Pay floating EURIBOR Receive fixed 1.25% 14/09/2018 - 18/09/2023	(111)	(0.13)
<b>Total Return Swaps (0.00%)</b>	<b>395</b>	<b>0.47</b>
1,781,784 Sell Ibovespa Index Receive USD 3M LIBOR -1.05% 22/08/2016	186	0.22
2,008,556 Sell Ibovespa Index Receive USD 3M LIBOR -1.2% 22/08/2016	209	0.25
Total investment assets and liabilities	67,200	80.43
Net other assets	16,356	19.57
<b>Total Net Assets</b>	<b>83,556</b>	<b>100.00</b>
All investments are listed on recognised stock exchanges and are approved securities, regulated collective investment schemes or approved derivatives within the meaning of the FCA rules unless otherwise stated.		
The percentage figures in brackets show the comparative holding as at 30 June 2015.		
		<b>Market value £'000</b>
<b>Reconciliation of assets and liabilities to the balance sheet</b>		
Investment assets as per the Balance Sheet		68,904
*Collective Investment Schemes classified as Cash Equivalents		1,613
Investment liabilities		(3,317)
Net investment assets		67,200
Net other assets		16,356
<b>Total Net Assets</b>		<b>83,556</b>
		<b>Market value £'000</b>
<b>Credit Rating Analysis</b>		
Investment Grade Bonds		5,358
<b>Total Value of Bonds</b>		<b>5,358</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed I Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	22 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a high exposure to lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each Fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £55,188,000 and the total proceeds from sales were £25,001,000.

### 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 III Interim Report & Financial Statements

## MyFolio Managed I Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (12.59%)	13.01
Bond Funds (49.26%)	55.73
Equity Funds (17.24%)	15.03
Money Market Fund (13.94%)	11.12
Property Funds (4.79%)	5.09
Exchange Traded Bond Fund (2.10%)	-
Net other assets (0.08%)	0.02

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Investment Grade Corporate Bond	13.96
SLI Seabury GBP VNAV Liquidity Fund	11.12
SLI Absolute Return Global Bond Strategies SICAV	7.31
SLI Short Duration Credit	7.13
SLI Global Absolute Return Strategies	5.70
SLI UK Property Feeder	4.87
Vanguard UK Short-Term Investment Grade Bond Index	4.81
AXA Sterling Credit Short Duration	4.77
SLI Short Duration Global Index-Linked Bond	4.59
SLI UK Gilt	4.56

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed I Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	113,327	56.19	201,688,531
	30 June 2014	112,991	58.64	192,688,892
	30 June 2015	148,592	60.83	244,286,453
	31 December 2015	164,567	60.88	270,298,174
Institutional accumulation	30 June 2013	49	57.06	85,564
	30 June 2014	26,585	60.05	44,270,469
	30 June 2015	33,046	62.76	52,658,550
	31 December 2015	37,725	63.05	59,837,070
Standard Life accumulation	30 June 2013	134	50.38	266,239
	30 June 2014	130	53.05	244,501
	30 June 2015	144	55.54	258,938
	31 December 2015	133	55.85	238,325
Platform 1 accumulation	30 June 2013	982	53.21	1,845,631
	30 June 2014	6,042	55.86	10,817,128
	30 June 2015	17,683	58.26	30,352,465
	31 December 2015	24,066	58.47	41,157,144

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed I Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.3994	52.58	49.24
	2012	0.6520	55.86	52.51
	2013	0.5856	58.26	55.87
	2014	0.3933	60.82	57.94
	2015	0.4191	62.68	60.35
Institutional accumulation	2011	0.5432	52.97	49.34
	2012	0.8990	56.56	52.90
	2013	0.9256	59.22	56.58
	2014	0.8351	62.52	59.15
	2015	0.8912	64.57	62.38
Standard Life accumulation	2013**	0.4682	52.27	50.00
	2014	0.8331	55.28	52.21
	2015	0.8896	57.13	55.23
Platform 1 accumulation	2012*	0.1440	52.73	50.00
	2013	0.8352	55.14	52.75
	2014	0.6751	58.09	55.06
	2015	0.7206	59.96	57.88

\*from commencement of the share class on 23 April

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

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.61%	1.61%
Institutional accumulation	0.69%	0.69%
Standard Life accumulation	0.46%	0.46%
Platform 1 accumulation	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 III Interim Report & Financial Statements

## MyFolio Managed I Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(366)		3,998
Revenue	1,867		1,716	
Expenses	(1,102)		(814)	
Interest and similar charges	(1)		0	
Net revenue before taxation	764		902	
Taxation	0		0	
Net revenue after taxation		764		902
		398		4,900
Provision for income tax withheld on future distributions		(169)		(173)
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>229</b>		<b>4,727</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		199,465		145,748
Amounts receivable on issue of shares	36,980		28,442	
Amounts payable on cancellation of shares	(10,299)		(11,119)	
		26,681		17,323
Dilution adjustment*		116		71
Total return and change in net assets attributable to shareholders from investment activities (see above)		229		4,727
<b>Closing net assets attributable to shareholders</b>		<b>226,491</b>		<b>167,869</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed I Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		201,245		171,505
Current assets:				
Debtors	653		2,206	
Cash and bank balances	624		0	
Cash equivalents	25,192		27,808	
		26,469		30,014
Total assets		227,714		201,519
<b>Liabilities</b>				
Creditors	(1,223)		(1,875)	
Bank overdrafts	0		(179)	
Total liabilities		(1,223)		(2,054)
<b>Net assets attributable to shareholders</b>		226,491		199,465

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed I Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (97.82%)</b>	<b>226,437</b>	<b>99.98</b>
<b>Absolute Return Funds (12.59%)</b>	<b>29,457</b>	<b>13.01</b>
1,503,641 SLI Absolute Return Global Bond Strategies SICAV	16,558	7.31
16,970,145 SLI Global Absolute Return Strategies	12,899	5.70
<b>Bond Funds (49.26%)</b>	<b>126,212</b>	<b>55.73</b>
9,600,527 AXA Sterling Credit Short Duration	10,810	4.77
9,582,057 Royal London Short Duration Gilts	9,640	4.26
1,964,796 SLI Corporate Bond	5,902	2.60
340,425 SLI Emerging Market Local Currency Debt SICAV	2,933	1.30
731,991 SLI Global High Yield Bond SICAV	8,801	3.89
5,401,955 SLI Global Index-Linked Bond	8,746	3.86
23,454,643 SLI Investment Grade Corporate Bond	31,617	13.96
19,700,179 SLI Short Duration Credit	16,138	7.13
21,084,617 SLI Short Duration Global Index-Linked Bond	10,407	4.59
14,812,577 SLI UK Gilt	10,326	4.56
103,767 Vanguard UK Short-Term Investment Grade Bond Index	10,892	4.81
<b>Equity Funds (17.24%)</b>	<b>34,050</b>	<b>15.03</b>
6,021,942 SLI European Equity Income	6,046	2.67
92,151 SLI Japanese Equities SICAV	934	0.41
4,414,593 SLI Japanese Equity Growth Retail	3,334	1.47
1,102,256 SLI UK Equity Growth	3,248	1.43
654,295 SLI UK Equity High Alpha	1,220	0.54
1,612,782 SLI UK Equity High Income	3,632	1.60
10,251,946 SLI UK Equity Income Unconstrained	7,554	3.34
383,603 SLI UK Smaller Companies	2,029	0.90
3,212,751 SLTM North American Trust	6,053	2.67

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed I Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Money Market Fund (13.94%)</b>	<b>25,192</b>	<b>11.12</b>
25,191,572 SLI Seabury GBP VNAV Liquidity Fund*	25,192	11.12
<b>Property Funds (4.79%)</b>	<b>11,526</b>	<b>5.09</b>
513,875 SLI Ignis UK Property Feeder	490	0.22
8,469,543 SLI UK Property Feeder	11,036	4.87
<b>Exchange Traded Fund (2.10%)</b>	-	-
<b>Bond Fund (2.10%)</b>	-	-
Total investment assets	226,437	99.98
Net other assets	54	0.02
<b>Total Net Assets</b>	<b>226,491</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	201,245
*Collective Investment Schemes classified as Cash Equivalents	25,192
Net investment assets	226,437
Net other assets	54
Total Net Assets	226,491

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed II Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	22 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference towards lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £261,474,000 and the total proceeds from sales were £127,744,000.

### 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.

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 III Interim Report & Financial Statements

## MyFolio Managed II Fund Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (14.89%)	15.16
Bond Funds (38.21%)	43.38
Equity Funds (31.47%)	30.15
Money Market Fund (7.33%)	3.47
Property Funds (7.04%)	7.37
Exchange Traded Bond Fund (1.21%)	-
Net other assets (-0.15%)	0.47

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Investment Grade Corporate Bond	11.66
SLI Global Absolute Return Strategies	9.80
SLI Short Duration Credit	7.60
SLI UK Property Feeder	6.87
SLTM North American Trust	6.66
SLI UK Equity Income Unconstrained	5.97
SLI Absolute Return Global Bond Strategies SICAV	5.36
SLI Short Duration Global Index-Linked Bond	4.63
Vanguard UK Short-Term Investment Grade Bond Index	4.60
SLI Global Index-Linked Bond	4.51

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed II Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	340,521	58.16	585,504,495
	30 June 2014	388,725	61.60	631,066,988
	30 June 2015	565,687	65.17	868,009,893
	31 December 2015	626,372	65.51	956,087,411
Institutional accumulation	30 June 2013	1	59.02	1,175
	30 June 2014	101,829	63.02	161,582,899
	30 June 2015	151,237	67.17	225,144,827
	31 December 2015	173,344	67.78	255,752,555
Standard Life accumulation	30 June 2013	276	51.00	541,898
	30 June 2014	353	54.51	647,129
	30 June 2015	501	58.21	860,843
	31 December 2015	526	58.79	894,465
Platform 1 accumulation	30 June 2013	5,256	54.41	9,660,419
	30 June 2014	29,145	57.95	50,290,474
	30 June 2015	72,025	61.65	116,824,669
	31 December 2015	103,176	62.15	166,004,617

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed II Fund Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.4484	52.67	50.05
	2012	0.7567	56.96	52.41
	2013	0.6743	61.06	57.14
	2014	0.5426	64.73	60.64
	2015	0.5277	67.56	63.91
Institutional accumulation	2011	0.4941	52.92	50.22
	2012	1.0095	57.64	52.78
	2013	0.9352	62.26	57.83
	2014	0.9820	66.48	61.87
	2015	1.0304	69.52	65.95
Standard Life accumulation	2013**	0.5042	53.79	50.00
	2014	0.9665	57.56	53.46
	2015	0.9945	60.23	57.17
Platform 1 accumulation	2012*	0.1680	53.13	49.67
	2013	0.9017	57.30	53.30
	2014	0.8014	61.07	56.93
	2015	0.8353	63.84	60.52

\*from commencement of the share class on 23 April

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

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.68%	1.68%
Institutional accumulation	0.76%	0.76%
Standard Life accumulation	0.53%	0.53%
Platform 1 accumulation	0.98%	0.98%

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 III Interim Report & Financial Statements

## MyFolio Managed II Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		1,705		20,466
Revenue	7,743		6,150	
Expenses	(4,217)		(2,981)	
Interest and similar charges	(6)		(2)	
Net revenue before taxation	3,520		3,167	
Taxation	(473)		(454)	
Net revenue after taxation		3,047		2,713
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>4,752</b>		<b>23,179</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		789,450		520,052
Amounts receivable on issue of shares	122,486		109,864	
Amounts payable on cancellation of shares	(13,920)		(5,019)	
		108,566		104,845
Dilution adjustment*		650		599
Total return and change in net assets attributable to shareholders from investment activities (see above)		4,752		23,179
<b>Closing net assets attributable to shareholders</b>		<b>903,418</b>		<b>648,675</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed II Fund Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		867,760		732,804
Current assets:				
Debtors	5,140		8,994	
Cash and bank balances	344		0	
Cash equivalents	31,381		57,829	
		36,865		66,823
Total assets		904,625		799,627
<b>Liabilities</b>				
Creditors	(1,207)		(8,865)	
Bank overdrafts	0		(1,312)	
Total liabilities		(1,207)		(10,177)
<b>Net assets attributable to shareholders</b>		903,418		789,450

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed II Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Bid-market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (98.94%)</b>	<b>899,141</b>	<b>99.53</b>
<b>Absolute Return Funds (14.89%)</b>	<b>137,012</b>	<b>15.16</b>
4,401,063 SLI Absolute Return Global Bond Strategies SICAV	48,465	5.36
116,494,075 SLI Global Absolute Return Strategies	88,547	9.80
<b>Bond Funds (38.21%)</b>	<b>391,795</b>	<b>43.38</b>
22,148,382 AXA Sterling Credit Short Duration	24,939	2.76
9,805,763 SLI Corporate Bond	29,457	3.26
371,073 SLI Emerging Market Local Currency Debt SICAV	3,197	0.36
3,005,171 SLI Global High Yield Bond SICAV	36,133	4.00
25,134,554 SLI Global Index-Linked Bond	40,693	4.51
78,153,544 SLI Investment Grade Corporate Bond	105,351	11.66
83,822,412 SLI Short Duration Credit	68,667	7.60
84,732,217 SLI Short Duration Global Index-Linked Bond	41,824	4.63
395,679 Vanguard UK Short-Term Investment Grade Bond Index	41,534	4.60
<b>Equity Funds (31.47%)</b>	<b>272,411</b>	<b>30.15</b>
9,006,753 SLI American Equity Unconstrained	9,583	1.06
746,013 SLI Continental European Equity Income SICAV	9,056	1.00
30,176,055 SLI European Equity Income	30,297	3.35
7,501,837 SLI Global Emerging Markets Equity	3,987	0.44
7,985,054 SLI Global Emerging Markets Equity Income	3,915	0.43
810,629 SLI Japanese Equities SICAV	8,212	0.91
30,391,181 SLI Japanese Equity Growth Retail	22,951	2.54
7,169,238 SLI UK Equity Growth	21,128	2.34
3,735,988 SLI UK Equity High Alpha	6,968	0.77
10,527,364 SLI UK Equity High Income	23,708	2.63
73,181,854 SLI UK Equity Income Unconstrained	53,920	5.97
2,591,305 SLI UK Smaller Companies	13,705	1.52
31,945,201 SLTM North American Trust	60,185	6.66
16,907 Vanguard US Equity Index	4,796	0.53

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed II Fund Portfolio Statement (Continued)

Holding	Bid-market value £'000	Percentage of total net assets
<b>Money Market Fund (7.33%)</b>	<b>31,381</b>	<b>3.47</b>
31,381,443 SLI Seabury GBP VNAV Liquidity Fund*	31,381	3.47
<b>Property Funds (7.04%)</b>	<b>66,542</b>	<b>7.37</b>
1,214,059 SLI Ignis UK Property	1,501	0.17
3,083,248 SLI Ignis UK Property Feeder	2,942	0.33
47,658,450 SLI UK Property Feeder	62,099	6.87
<b>Exchange Traded Fund (1.21%)</b>	-	-
<b>Bond Fund (1.21%)</b>	-	-
Total investment assets	899,141	99.53
Net other assets	4,277	0.47
<b>Total Net Assets</b>	<b>903,418</b>	<b>100.00</b>
All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.		
The percentage figures in brackets show the comparative holding as at 30 June 2015.		
		<b>Market value £'000</b>
<b>Reconciliation of assets and liabilities to the balance sheet</b>		
Investment assets as per the Balance Sheet		867,760
*Collective Investment Schemes classified as Cash Equivalents		31,381
Net investment assets		899,141
Net other assets		4,277
<b>Total Net Assets</b>		<b>903,418</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed III Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	22 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £542,689,000 and the total proceeds from sales were £210,358,000.

### 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 III Interim Report & Financial Statements

## MyFolio Managed III Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (17.02%)	16.84
Bond Funds (24.34%)	25.56
Equity Funds (44.80%)	44.06
Money Market Fund (4.76%)	3.60
Property Funds (9.42%)	9.51
Net other assets (-0.34%)	0.43

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	13.94
SLTM North American Trust	9.24
SLI UK Property Feeder	8.76
SLI Investment Grade Corporate Bond	7.04
SLI UK Equity Income Unconstrained	6.38
SLI Short Duration Credit	5.19
SLI Global High Yield Bond SICAV	4.82
SLI Seabury GBP VNAV Liquidity Fund	3.60
SLI UK Equity Unconstrained	3.06
SLI UK Equity High Income	2.91

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed III Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	580,110	60.40	960,517,278
	30 June 2014	814,129	65.08	1,250,961,895
	30 June 2015	1,254,930	69.97	1,793,493,626
	31 December 2015	1,497,675	70.48	2,124,863,901
Institutional accumulation	30 June 2013	333	61.21	544,442
	30 June 2014	151,811	66.49	228,325,664
	30 June 2015	246,057	72.02	341,670,001
	31 December 2015	299,049	72.81	410,716,770
Standard Life accumulation	30 June 2013	671	51.97	1,291,317
	30 June 2014	1,838	56.53	3,250,825
	30 June 2015	3,454	61.34	5,631,501
	31 December 2015	3,261	62.07	5,253,723
Platform 1 accumulation	30 June 2013	6,664	56.06	11,887,575
	30 June 2014	43,220	60.76	71,126,866
	30 June 2015	122,513	65.69	186,494,009
	31 December 2015	173,157	66.36	260,938,519

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed III Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.4063	54.13	49.11
	2012	0.7754	57.79	52.30
	2013	0.8087	64.75	58.22
	2014	0.6679	69.07	63.93
	2015	0.6031	72.91	67.67
Institutional accumulation	2011	0.5621	54.29	49.31
	2012	1.0186	58.40	52.58
	2013	1.1668	65.91	58.84
	2014	1.1539	70.80	65.11
	2015	1.1387	74.92	69.73
Standard Life accumulation	2013**	0.5672	55.99	50.00
	2014	1.0808	60.24	55.31
	2015	1.0751	63.78	59.40
Platform 1 accumulation	2012*	0.1481	53.47	48.94
	2013	1.0161	60.29	53.89
	2014	0.9489	64.65	59.55
	2015	0.9218	68.37	63.59

\*from commencement of the share class on 23 April

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

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.75%	1.75%
Institutional accumulation	0.82%	0.82%
Standard Life accumulation	0.60%	0.60%
Platform 1 accumulation	1.05%	1.05%

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 III Interim Report & Financial Statements

## MyFolio Managed III Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		7,255		44,813
Revenue	15,906		12,069	
Expenses	(9,367)		(6,126)	
Interest and similar charges	(3)		(2)	
Net revenue before taxation	6,536		5,941	
Taxation	(559)		(661)	
Net revenue after taxation		5,977		5,280
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>13,232</b>		<b>50,093</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		1,626,954		1,010,998
Amounts receivable on issue of shares	338,922		229,388	
Less: Amounts payable on cancellation of shares	(8,408)		(1,884)	
		330,514		227,504
Dilution adjustment*		2,442		1,744
Total return and change in net assets attributable to shareholders from investment activities (see above)		13,232		50,093
<b>Closing net assets attributable to shareholders</b>		<b>1,973,142</b>		<b>1,290,339</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed III Fund

(continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		1,893,602		1,555,053
Current assets:				
Debtors	10,615		14,197	
Cash and bank balances	83		0	
Cash equivalents	71,067		77,425	
		81,765		91,622
Total assets		1,975,367		1,646,675
<b>Liabilities</b>				
Creditors	(2,225)		(16,352)	
Bank overdrafts	0		(3,369)	
Total liabilities		(2,225)		(19,721)
<b>Net assets attributable to shareholders</b>		1,973,142		1,626,954

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed III Fund

Portfolio Statement as at 31 December 2013

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (100.34%)</b>	<b>1,964,669</b>	<b>99.57</b>
<b>Absolute Return Funds (17.02%)</b>	<b>332,356</b>	<b>16.84</b>
5,200,387 SLI Absolute Return Global Bond Strategies SICAV	57,267	2.90
361,911,599 SLI Global Absolute Return Strategies	275,089	13.94
<b>Bond Funds (24.34%)</b>	<b>504,343</b>	<b>25.56</b>
15,634,604 AXA Sterling Credit Short Duration	17,605	0.89
11,265,590 SLI Corporate Bond	33,842	1.71
970,277 SLI Emerging Market Local Currency Debt SICAV	8,360	0.42
7,902,504 SLI Global High Yield Bond SICAV	95,016	4.82
19,560,939 SLI Global Index-Linked Bond	31,669	1.61
103,113,124 SLI Investment Grade Corporate Bond	138,996	7.04
124,946,417 SLI Short Duration Credit	102,356	5.19
61,186,778 SLI Short Duration Global Index-Linked Bond	30,202	1.53
441,048 Vanguard UK Short-Term Investment Grade Bond Index	46,297	2.35
<b>Equity Funds (44.80%)</b>	<b>869,323</b>	<b>44.06</b>
16,344,740 SLI American Equity Unconstrained	17,391	0.88
1,128,395 SLI Continental European Equity Income SICAV	13,697	0.70
14,260,817 SLI European Equity Growth	21,135	1.07
51,505,708 SLI European Equity Income	51,712	2.62
1,571,612 SLI European Smaller Companies SICAV	19,257	0.98
49,580,388 SLI Global Emerging Markets Equity	26,352	1.34
53,606,937 SLI Global Emerging Markets Equity Income	26,283	1.33
2,951,108 SLI Japanese Equities SICAV	29,896	1.52
72,364,870 SLI Japanese Equity Growth Retail	54,650	2.77
15,586,070 SLI UK Equity Growth	45,932	2.33
19,614,029 SLI UK Equity High Alpha	36,580	1.85
25,504,048 SLI UK Equity High Income	57,435	2.91
170,988,141 SLI UK Equity Income Unconstrained	125,984	6.38
27,795,284 SLI UK Equity Unconstrained	60,344	3.06
8,437,148 SLI UK Smaller Companies	44,624	2.26
96,804,896 SLTM North American Trust	182,380	9.24
196,237 Vanguard US Equity Index	55,671	2.82

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed III Fund

(continued)

Holding	Market value £'000	Percentage of total net assets
<b>Money Market Fund (4.76%)</b>	<b>71,067</b>	<b>3.60</b>
71,067,209 SLI Seabury GBP VNAV Liquidity Fund*	71,067	3.60
<b>Property Funds (9.42%)</b>	<b>187,580</b>	<b>9.51</b>
7,145,486 SLI Ignis UK Property	8,835	0.45
6,166,495 SLI Ignis UK Property Feeder	5,883	0.30
132,664,663 SLI UK Property Feeder	172,862	8.76
Total investment assets	1,964,669	99.57
Net other assets	8,473	0.43
<b>Total Net Assets</b>	<b>1,973,142</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	1,893,602
*Collective Investment Schemes classified as Cash Equivalents	71,067
Net investment assets	1,964,669
Net other assets	8,473
<b>Total Net Assets</b>	<b>1,973,142</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed IV Fund

### Investment Report

#### Fund Information

<b>Fund Manager</b>	Bambos Hambi
<b>Launch Date</b>	22 September 2010

#### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

#### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference to those assets providing potential for growth, such as equities.

#### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

#### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) purchases made to the portfolio in the period to 31 December 2015:

<b>Purchases</b>	<b>Cost £'000</b>
SLI Global Absolute Return Strategies	46,074
SLI Global High Yield Bond SICAV	27,925
Vanguard US Equity Index	27,258
Other purchases	258,381
<b>Total purchases</b>	<b>359,638</b>

During the period the Fund had total sales proceeds of £113,292,000.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed IV 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.

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 31 December 2015	
Absolute Return Funds (19.29%)	19.22
Bond Funds (9.35%)	10.09
Equity Funds (58.45%)	58.98
Money Market Fund (2.08%)	2.38
Property Funds (10.86%)	9.09
Net other assets (-0.03%)	0.24

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	17.49
SLTM North American Trust	9.66
SLI UK Property	8.90
SLI UK Equity Income Unconstrained	7.04
SLI Global High Yield Bond SICAV	5.86
Vanguard US Equity Index	4.93
SLI UK Equity High Income	4.37
SLI American Equity Unconstrained	3.65
SLI UK Equity Unconstrained	3.55
SLI Japanese Equity Growth Retail	3.49

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed IV Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	177,949	60.34	294,929,052
	30 June 2014	260,509	65.86	395,549,880
	30 June 2015	387,024	71.81	538,957,044
	31 December 2015	611,632	72.52	843,395,928
Institutional accumulation	30 June 2013	1	61.13	1,178
	30 June 2014	45,856	67.25	68,187,345
	30 June 2015	77,503	73.87	104,920,851
	31 December 2015	93,649	74.88	125,073,506
Standard Life accumulation	30 June 2013	386	52.79	731,612
	30 June 2014	806	58.15	1,385,545
	30 June 2015	1,271	63.99	1,985,398
	31 December 2015	2,319	64.93	3,571,635
Platform 1 accumulation	30 June 2013	1	49.71	1,200
	30 June 2014	2,234	57.04	3,916,168
	30 June 2015	46,556	68.66	67,811,362
	31 December 2015	66,909	69.53	96,230,694

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed IV Fund Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.3290	54.32	47.13
	2012	0.5952	56.73	51.04
	2013	0.7938	65.78	57.27
	2014	0.6924	70.53	64.56
	2015	0.5807	75.11	68.45
Institutional accumulation	2011	0.5098	54.49	47.33
	2012	0.8378	57.26	51.31
	2013	1.1971	66.92	57.82
	2014	1.1915	72.25	65.72
	2015	1.1235	77.14	70.49
Standard Life accumulation	2013**	0.5850	57.82	50.00
	2014	1.1252	62.53	56.79
	2015	1.0840	66.80	61.08
Platform 1 accumulation	2012*	0.0895	53.47	48.27
	2013	1.0350	62.37	53.98
	2014	0.9912	67.22	61.24
	2015	0.9227	71.72	65.50

\* from launch of the share class on 23 April

\*\* from launch of the share class on 16 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.80%	1.80%
Institutional accumulation	0.88%	0.88%
Standard Life accumulation	0.65%	0.65%
Platform 1 accumulation	1.10%	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 III Interim Report & Financial Statements

## MyFolio Managed IV Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		6,463		16,254
Revenue	5,232		3,508	
Expenses	(3,266)		(1,986)	
Interest and similar charges	(4)		(1)	
Net revenue before taxation	1,962		1,521	
Taxation	3		(96)	
Net revenue after taxation		1,965		1,425
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>8,428</b>		<b>17,679</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		512,354		322,762
Amounts receivable on issue of shares	260,006		77,949	
Less: Amounts payable on cancellation of shares	(6,985)		(2,850)	
		253,021		75,099
Dilution adjustment*		706		648
Total return and change in net assets attributable to shareholders from investment activities (see above)		8,428		17,679
<b>Closing net assets attributable to shareholders</b>		<b>774,509</b>		<b>416,188</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed IV Fund Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		754,241		501,849
Current assets:				
Debtors	3,676		4,528	
Cash and bank balances	137		0	
Cash equivalents	18,406		10,636	
		22,219		15,164
Total assets		776,460		517,013
<b>Liabilities</b>				
Creditors	(1,951)		(3,358)	
Bank overdrafts	0		(1,301)	
Total liabilities		(1,951)		(4,659)
<b>Net assets attributable to shareholders</b>		774,509		512,354

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed IV Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (100.03%)</b>	<b>772,647</b>	<b>99.76</b>
<b>Absolute Return Funds (19.29%)</b>	<b>148,830</b>	<b>19.22</b>
1,214,605 SLI Absolute Return Global Bond Strategies SICAV	13,375	1.73
178,207,102 SLI Global Absolute Return Strategies	135,455	17.49
<b>Bond Funds (9.35%)</b>	<b>78,189</b>	<b>10.09</b>
3,093,466 SLI Corporate Bond	9,293	1.20
224,742 SLI Emerging Market Local Currency Debt SICAV	1,936	0.25
3,773,823 SLI Global High Yield Bond SICAV	45,375	5.86
13,263,695 SLI Short Duration Credit	10,866	1.40
5,584,527 SLI Investment Grade Corporate Bond	7,528	0.97
30,399 Vanguard UK Short-Term Investment Grade Bond Index	3,191	0.41
<b>Equity Funds (58.45%)</b>	<b>456,813</b>	<b>58.98</b>
26,539,979 SLI American Equity Unconstrained	28,239	3.65
3,949,046 SLI Asian Pacific Growth	8,929	1.15
229,827 SLI Continental European Equity Income SICAV	2,790	0.36
1,569,954 SLI Europe ex UK Smaller Companies	3,185	0.41
10,460,306 SLI European Equity Growth	15,502	2.00
20,390,893 SLI European Equity Income	20,473	2.64
711,597 SLI European Smaller Companies SICAV	8,719	1.13
25,978,323 SLI Global Emerging Markets Equity	13,808	1.78
36,050,167 SLI Global Emerging Markets Equity Income	17,675	2.28
1,344,047 SLI Japanese Equities SICAV	13,616	1.76
35,792,343 SLI Japanese Equity Growth Retail	27,030	3.49
6,210,852 SLI UK Equity Growth	18,303	2.36
12,704,769 SLI UK Equity High Alpha	23,694	3.06
15,035,084 SLI UK Equity High Income	33,859	4.37
73,972,600 SLI UK Equity Income Unconstrained	54,503	7.04
12,662,344 SLI UK Equity Unconstrained	27,490	3.55
4,759,255 SLI UK Smaller Companies	25,172	3.25
39,703,815 SLTM North American Trust	74,802	9.66
875,566 SLTM Pacific Basin Trust	875	0.11
134,472 Vanguard US Equity Index	38,149	4.93

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed IV Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Money Market Fund (2.08%)</b>	<b>18,406</b>	<b>2.38</b>
18,405,676 SLI Seabury GBP VNAV Liquidity Fund*	18,406	2.38
<b>Property Funds (10.86%)</b>	<b>70,409</b>	<b>9.09</b>
1,408,270 SLI Ignis UK Property	1,496	0.19
52,888,025 SLI UK Property	68,913	8.90
Total investment assets	772,647	99.76
Net other assets	1,862	0.24
<b>Total Net Assets</b>	<b>774,509</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	754,241
*Collective Investment Schemes classified as Cash Equivalents	18,406
Net investment assets	772,647
Net other assets	1,862
<b>Total Net Assets</b>	<b>774,509</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed V Fund

### Investment Report

#### Fund Information

<b>Fund Manager</b>	Bambos Hambi
<b>Launch Date</b>	22 September 2010

#### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

#### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve exposure to diversified investments, of primarily equities, but which may include fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have high exposure to assets providing potential for growth, such as equities.

#### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

#### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £51,395,000 and the total proceeds from sales were £12,865,000.

#### Synthetic Risk & Reward Indicator

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

1	2	3	<b>4</b>	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.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed V Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Fund (19.77%)	18.88
Bond Fund (3.68%)	4.78
Equity Funds (70.44%)	70.18
Money Market Fund (1.75%)	1.02
Property Funds (4.36%)	4.63
Net other assets (0.00%)	0.51

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	18.88
SLTM North American Trust	15.46
SLI UK Equity Income Unconstrained	8.55
Vanguard US Equity Index	5.93
SLI Japanese Equity Growth Retail	4.65
SLI UK Equity Unconstrained	4.63
SLI Global High Yield Bond SICAV	4.51
SLI UK Equity High Income	4.27
SLI UK Property	4.04
SLI UK Equity Growth	3.32

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed V Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	77,505	62.17	124,671,347
	30 June 2014	111,952	68.10	164,401,211
	30 June 2015	164,131	75.03	218,764,194
	31 December 2015	187,694	75.90	247,281,205
Institutional accumulation	30 June 2013	1	62.95	1,179
	30 June 2014	18,363	69.42	26,451,689
	30 June 2015	31,565	77.06	40,963,634
	31 December 2015	39,265	78.26	50,172,802
Standard Life accumulation	30 June 2013	128	53.96	237,177
	30 June 2014	370	59.53	621,733
	30 June 2015	983	66.20	1,485,523
	31 December 2015	1,125	67.29	1,672,430
Platform 1 accumulation	30 June 2013	558	58.32	956,749
	30 June 2014	6,358	64.28	9,891,061
	30 June 2015	42,799	71.23	60,087,547
	31 December 2015	52,532	72.27	72,683,839

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed V Fund Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.2605	55.17	46.30
	2012	0.4118	56.87	50.78
	2013	0.6683	67.98	57.50
	2014	0.5583	73.37	66.41
	2015	0.4972	78.74	70.72
Institutional accumulation	2011	0.4413	55.35	46.51
	2012	0.5484	57.33	51.05
	2013	1.1223	69.05	57.98
	2014	1.0836	75.04	67.50
	2015	1.0805	80.75	72.72
Standard Life accumulation	2013**	0.6535	59.17	50.00
	2014	1.0256	64.40	57.85
	2015	1.0382	69.34	62.49
Platform 1 accumulation	2012*	0.5792	53.20	47.49
	2013	0.9134	64.00	53.81
	2014	0.8787	69.43	62.55
	2015	0.8679	74.67	67.20

\*\* from commencement of the share class on 23 April

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

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.82%	1.82%
Institutional accumulation	0.89%	0.89%
Standard Life accumulation	0.67%	0.67%
Platform 1 accumulation	1.12%	1.12%

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 III Interim Report & Financial Statements

## MyFolio Managed V Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		2,705		8,357
Revenue	1,985		1,326	
Expenses	(1,277)		(856)	
Net revenue before taxation	708		470	
Taxation	0		0	
Net revenue after taxation		708		470
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>3,413</b>		<b>8,827</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		239,478		137,043
Amounts receivable on issue of shares	44,592		36,964	
Less: Amounts payable on cancellation of shares	(7,092)		(3,378)	
		37,500		33,586
Dilution adjustment*		225		207
Total return and change in net assets attributable to shareholders from investment activities (see above)		3,413		8,827
<b>Closing net assets attributable to shareholders</b>		<b>280,616</b>		<b>179,663</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed V Fund Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		276,326		235,288
Current assets:				
Debtors	1,249		1,355	
Cash and bank balances	413		0	
Cash equivalents	2,857		4,185	
		4,519		5,540
Total assets		280,845		240,828
<b>Liabilities</b>				
Creditors	(229)		(772)	
Bank overdrafts	0		(578)	
Total liabilities		(229)		(1,350)
<b>Net assets attributable to shareholders</b>		280,616		239,478

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed V Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (100.00%)</b>	<b>279,183</b>	<b>99.49</b>
<b>Absolute Return Fund (19.77%)</b>	<b>52,986</b>	<b>18.88</b>
69,708,962 SLI Global Absolute Return Strategies	52,986	18.88
<b>Bond Funds (3.68%)</b>	<b>13,429</b>	<b>4.78</b>
89,070 SLI Emerging Market Local Currency Debt SICAV	768	0.27
1,052,979 SLI Global High Yield Bond SICAV	12,661	4.51
<b>Equity Funds (70.44%)</b>	<b>196,926</b>	<b>70.18</b>
5,146,591 SLI American Equity Unconstrained	5,476	1.95
1,178,797 SLI Asian Pacific Growth	2,665	0.95
163,065 SLI Continental European Equity Income SICAV	1,979	0.71
154,116 SLI Europe ex UK Smaller Companies	313	0.11
2,755,556 SLI European Equity Growth	4,084	1.46
8,971,434 SLI European Equity Income	9,007	3.21
455,431 SLI European Smaller Companies SICAV	5,580	1.99
15,588,449 SLI Global Emerging Markets Equity	8,285	2.95
15,119,670 SLI Global Emerging Markets Equity Income	7,413	2.64
437,399 SLI Japanese Equities SICAV	4,431	1.58
17,274,248 SLI Japanese Equity Growth Retail	13,046	4.65
3,159,623 SLI UK Equity Growth	9,311	3.32
3,348,043 SLI UK Equity High Alpha	6,244	2.23
5,321,922 SLI UK Equity High Income	11,985	4.27
32,554,635 SLI UK Equity Income Unconstrained	23,986	8.55
5,989,414 SLI UK Equity Unconstrained	13,003	4.63
1,667,347 SLI UK Smaller Companies	8,819	3.14
23,026,053 SLTM North American Trust	43,381	15.46
1,269,316 SLTM Pacific Basin Trust	1,269	0.45
58,685 Vanguard US Equity Index	16,649	5.93

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed V Fund Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Money Market Fund (1.75%)</b>	<b>2,857</b>	<b>1.02</b>
2,857,355 SLI Seabury GBP VNAV Liquidity Fund*	2,857	1.02
<b>Property Funds (4.36%)</b>	<b>12,985</b>	<b>4.63</b>
1,568,558 SLI Ignis UK Property	1,666	0.59
8,687,066 SLI UK Property	11,319	4.04
Total investment assets	279,183	99.49
Net other assets	1,433	0.51
<b>Total Net Assets</b>	<b>280,616</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	276,326
*Collective Investment Schemes classified as Cash Equivalents	2,857
Net investment assets	279,183
Net other assets	1,433
<b>Total Net Assets</b>	<b>280,616</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market I Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambri
Launch Date	9 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. Exposure to equities and fixed and variable rate interest bearing securities is achieved by investing mainly in passively managed collective investment schemes. Exposure to immovable property is achieved by investing mainly in actively managed collective investment schemes. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a high exposure to lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £42,511,000 and the total proceeds from sales were £24,833,000.

### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	<b>3</b>	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 III Interim Report & Financial Statements

## MyFolio Market I Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Bond Funds (52.76%)	56.44
Equity Funds (20.94%)	18.85
Money Market Fund (15.43%)	12.16
Property Funds (5.78%)	5.93
Exchange Traded Bond Funds (4.72%)	6.66
Net other liabilities (0.37%)	(0.04)

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
Vanguard UK Short-Term Investment Grade Bond Index	12.44
SLI Seabury GBP VNAV Liquidity Fund	12.16
Vanguard UK Investment Grade Bond Index	11.68
BlackRock Corporate Bond Tracker	7.40
L&G Short Dated Corporate Bond Index	6.70
Fidelity Global Inflation-Linked Bond	5.11
SPDR Barclays Capital 1-5 year Gilt	5.11
Vanguard FTSE UK All Share Index	3.74
BlackRock UK Equity Tracker	3.23
L&G Global Inflation Linked Bond Index	3.13

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market I Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	77,580	56.62	137,008,088
	30 June 2014	58,886	58.87	100,021,316
	30 June 2015	70,083	61.30	114,319,282
	31 December 2015	76,024	61.16	124,313,062
Institutional accumulation	30 June 2013	13	57.44	22,634
	30 June 2014	40,185	60.18	66,777,569
	30 June 2015	53,975	63.13	85,500,908
	31 December 2015	57,835	63.21	91,494,884
Standard Life accumulation	30 June 2013	1	50.56	2,654
	30 June 2014	20	53.04	37,162
	30 June 2015	38	55.74	68,223
	31 December 2015	37	55.86	66,611
Platform 1 accumulation	30 June 2013	944	53.28	1,771,221
	30 June 2014	7,348	55.70	13,192,416
	30 June 2015	21,201	58.33	36,346,270
	31 December 2015	24,359	58.35	41,743,802

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market I Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.1191	53.46	49.12
	2012	0.4551	55.99	53.34
	2013	0.2562	58.84	55.99
	2014	0.2325	59.39	58.03
	2015	0.4741	63.54	60.49
Institutional accumulation	2011	0.2232	53.79	49.23
	2012	0.6776	56.63	53.69
	2013	0.6004	59.66	56.64
	2014	0.6833	60.67	59.14
	2015	0.9511	65.33	62.41
Standard Life accumulation	2013**	0.2125	52.48	50.00
	2014	0.6899	53.46	52.08
	2015	0.9393	57.66	55.13
Platform 1 accumulation	2012*	0.0000	52.53	50.00
	2013	0.4889	55.34	52.53
	2014	0.5234	56.16	54.78
	2015	0.7729	60.38	57.64

\*from commencement of the share class on 23 April

\*\*from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.37%	1.37%
Institutional accumulation	0.45%	0.45%
Standard Life accumulation	0.22%	0.22%
Platform 1 accumulation	0.67%	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 III Interim Report & Financial Statements

## MyFolio Market I Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(926)		4,093
Revenue	1,546		1,043	
Expenses	(615)		(497)	
Net revenue before taxation	931		546	
Taxation	0		0	
Net revenue after taxation		931		546
Total return before distributions		5		4,639
Provision for income tax withheld on future distributions		(190)		(110)
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>(185)</b>		<b>4,529</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		145,297		106,439
Amounts receivable on issue of shares	22,711		24,124	
Amounts payable on cancellation of shares	(9,603)		(8,446)	
		13,108		15,678
Dilution adjustment*		35		35
Total return and change in net assets attributable to shareholders from investment activities (see above)		(185)		4,529
<b>Closing net assets attributable to shareholders</b>		<b>158,255</b>		<b>126,681</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market I Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		139,065		122,324
Current assets:				
Debtors	352		1,215	
Cash and bank balances	41		0	
Cash equivalents	19,246		22,429	
		19,639		23,644
Total assets		158,704		145,968
<b>Liabilities</b>				
Creditors	(449)		(640)	
Bank overdrafts	0		(31)	
Total liabilities		(449)		(671)
<b>Net assets attributable to shareholders</b>		158,255		145,297

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market I Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (94.91%)</b>	<b>147,785</b>	<b>93.38</b>
<b>Bond Funds (52.76%)</b>	<b>89,326</b>	<b>56.44</b>
8,665,900 BlackRock Corporate Bond Tracker	11,716	7.40
2,327,795 BlackRock UK Gilts All Stocks Tracker	3,508	2.22
6,857,362 Fidelity Global Inflation-Linked Bond	8,092	5.11
1,757,607 L&G All Stocks Gilt Index	3,505	2.22
9,634,685 L&G Global Inflation Linked Bond Index	4,959	3.13
20,563,114 L&G Short Dated Corporate Bond Index	10,602	6.70
586,861 PIMCO Global High Yield Bond	3,339	2.11
748,559 Putnam Global High Yield Bond	3,346	2.11
14,174 Vanguard UK Inflation-Linked Gilt Index	2,094	1.32
224,664 Vanguard UK Investment Grade Bond Index	18,481	11.68
187,520 Vanguard UK Short-Term Investment Grade Bond Index	19,684	12.44
<b>Equity Funds (20.94%)</b>	<b>29,828</b>	<b>18.85</b>
2,771,933 BlackRock Continental European Equity Tracker	4,929	3.11
2,029,152 BlackRock Japan Equity Tracker	3,212	2.03
2,953,599 BlackRock UK Equity Tracker	5,119	3.23
1,185,086 BlackRock US Equity Tracker	1,992	1.26
1,699,454 L&G UK Index	4,007	2.53
595,170 L&G US Index	1,987	1.26
38,214 Vanguard FTSE UK All Share Index	5,914	3.74
9,405 Vanguard US Equity Index	2,668	1.69
<b>Money Market Fund (15.43%)</b>	<b>19,246</b>	<b>12.16</b>
19,246,423 SLI Seabury GBP VNAV Liquidity Fund*	19,246	12.16

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market I Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Property Funds (5.78%)</b>	<b>9,385</b>	<b>5.93</b>
3,133,846 M&G Property Portfolio Feeder	3,078	1.94
2,647,807 SLI Ignis UK Property Feeder	3,274	2.07
2,328,077 SLI UK Property Feeder	3,033	1.92
<b>Exchange Traded Funds (4.72%)</b>	<b>10,526</b>	<b>6.66</b>
<b>Bond Funds (4.72%)</b>	<b>10,526</b>	<b>6.66</b>
60,505 iShares III Government Bond	2,447	1.55
160,069 SPDR Barclays Capital 1-5 year Gilt	8,079	5.11
Total investment assets	158,311	100.04
Net other liabilities	(56)	(0.04)
<b>Total Net Assets</b>	<b>158,255</b>	<b>100.00</b>
<p>All investments are approved regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Exchange Traded Funds are listed on recognised stock exchanges.</p> <p>The percentage figures in brackets show the comparative holding as at 30 June 2015.</p>		
		<b>Market value £'000</b>
<b>Reconciliation of assets and liabilities to the balance sheet</b>		
Investment assets as per the Balance Sheet		139,065
*Collective Investment Schemes classified as Cash Equivalents		19,246
Net investment assets		158,311
Net other liabilities		(56)
<b>Total Net Assets</b>		<b>158,255</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market II Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	9 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. Exposure to equities and fixed and variable rate interest bearing securities is achieved by investing mainly in passively managed collective investment schemes. Exposure to immovable property is achieved by investing mainly in actively managed collective investment schemes. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference towards lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £164,607,000 and the total proceeds from sales were £88,434,000.

### 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.

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 III Interim Report & Financial Statements

## MyFolio Market II Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Bond Funds (41.24%)	49.28
Equity Funds (38.79%)	37.64
Money Market Fund (7.98%)	3.33
Property Funds (8.53%)	9.08
Exchange Traded Bond Funds (3.51%)	0.31
Net other assets (-0.05%)	0.36

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
Vanguard UK Investment Grade Bond Index	11.26
Vanguard UK Short-Term Investment Grade Bond Index	10.93
Vanguard FTSE UK All Share Index	7.33
L&G Short Dated Corporate Bond Index	5.89
BlackRock Corporate Bond Tracker	5.83
Fidelity Global Inflation-Linked Bond	5.38
BlackRock UK Equity Tracker	5.01
Vanguard US Equity Index	5.00
BlackRock Continental European Equity Tracker	4.77
L&G UK Index	3.98

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market II Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	261,751	59.04	443,327,292
	30 June 2014	253,945	62.27	407,835,158
	30 June 2015	319,537	65.61	487,016,447
	31 December 2015	341,794	65.45	522,233,305
Institutional accumulation	30 June 2013	138	59.87	230,543
	30 June 2014	122,142	63.61	192,028,076
	30 June 2015	176,144	67.52	260,867,821
	31 December 2015	188,337	67.60	278,586,857
Standard Life accumulation	30 June 2013	18	51.17	34,327
	30 June 2014	28	54.47	50,788
	30 June 2015	59	57.92	102,291
	31 December 2015	127	58.06	219,063
Platform 1 accumulation	30 June 2013	6,391	54.74	11,676,209
	30 June 2014	34,051	58.05	58,663,430
	30 June 2015	75,689	61.51	123,044,209
	31 December 2015	89,232	61.54	145,010,121

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market II Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.1966	53.51	50.27
	2012	0.6043	57.50	53.58
	2013	0.4800	61.83	57.67
	2014	0.4406	65.44	60.83
	2015	0.5925	68.70	63.73
Institutional accumulation	2011	0.3105	53.86	50.46
	2012	0.9324	58.13	53.94
	2013	0.8552	62.75	58.31
	2014	0.9094	67.10	61.95
	2015	1.1017	70.59	65.69
Standard Life accumulation	2013**	0.2725	53.68	50.00
	2014	0.8722	57.51	53.01
	2015	1.0477	60.53	56.37
Platform 1 accumulation	2012*	0.0000	53.13	49.77
	2013	0.7298	57.34	53.30
	2014	0.7272	61.18	56.57
	2015	0.8949	64.33	59.83

\*from commencement of the share class on 23 April

\*\*from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.38%	1.38%
Institutional accumulation	0.46%	0.46%
Standard Life accumulation	0.23%	0.23%
Platform 1 accumulation	0.68%	0.68%

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 III Interim Report & Financial Statements

## MyFolio Market II Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(5,594)		15,821
Revenue	7,637		5,405	
Expenses	(2,602)		(2,024)	
Interest and similar charges	(8)		(5)	
Net revenue before taxation	5,027		3,376	
Taxation	(169)		(58)	
Net revenue after taxation		4,858		3,318
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>(736)</b>		<b>19,139</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		571,429		410,166
Amounts receivable on issue of shares	65,757		74,789	
Amounts payable on cancellation of shares	(17,128)		(11,802)	
		48,629		62,987
Dilution adjustment*		168		219
Total return and change in net assets attributable to shareholders from investment activities (see above)		(736)		19,139
<b>Closing net assets attributable to shareholders</b>		<b>619,490</b>		<b>492,511</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market II Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		596,634		526,122
Current assets:				
Debtors	2,685		2,249	
Cash and bank balances	132		0	
Cash equivalents	20,652		45,593	
		23,469		47,842
Total assets		620,103		573,964
<b>Liabilities</b>				
Creditors	(613)		(2,416)	
Bank overdrafts	0		(119)	
Total liabilities		(613)		(2,535)
<b>Net assets attributable to shareholders</b>		619,490		571,429

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market II Fund

as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (96.54%)</b>	<b>615,363</b>	<b>99.33</b>
<b>Bond Funds (41.24%)</b>	<b>305,280</b>	<b>49.28</b>
26,699,896 BlackRock Corporate Bond Tracker	36,098	5.83
28,252,630 Fidelity Global Inflation-Linked Bond	33,338	5.38
43,387,104 L&G Global Inflation Linked Bond Index	22,331	3.61
70,759,652 L&G Short Dated Corporate Bond Index	36,484	5.89
2,648,501 PIMCO Global High Yield Bond	15,070	2.43
3,372,535 Putnam Global High Yield Bond	15,075	2.43
63,653 Vanguard UK Inflation-Linked Gilt Index	9,402	1.52
848,336 Vanguard UK Investment Grade Bond Index	69,783	11.26
644,939 Vanguard UK Short-Term Investment Grade Bond Index	67,699	10.93
<b>Equity Funds (38.79%)</b>	<b>233,210</b>	<b>37.64</b>
16,603,417 BlackRock Continental European Equity Tracker	29,521	4.77
15,587,960 BlackRock Japan Equity Tracker	24,676	3.98
17,906,205 BlackRock UK Equity Tracker	31,031	5.01
8,362,516 BlackRock US Equity Tracker	14,058	2.27
10,468,000 L&G UK Index	24,684	3.98
6,526,917 L&G US Index	21,794	3.52
79,599 Vanguard Emerging Markets Stock Index	11,057	1.78
293,562 Vanguard FTSE UK All Share Index	45,433	7.33
109,116 Vanguard US Equity Index	30,956	5.00
<b>Money Market Fund (7.98%)</b>	<b>20,652</b>	<b>3.33</b>
20,652,012 SLI Seabury GBP VNAV Liquidity Fund*	20,652	3.33
<b>Property Funds (8.53%)</b>	<b>56,221</b>	<b>9.08</b>
18,664,549 M&G Property Portfolio Feeder	18,334	2.96
14,480,969 SLI Ignis UK Property	17,904	2.89
2,055,499 SLI Ignis UK Property Feeder	1,961	0.32
13,830,683 SLI UK Property Feeder	18,022	2.91

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market II Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Exchange Traded Fund (3.51%)</b>	<b>1,923</b>	<b>0.31</b>
<b>Bond Fund (3.51%)</b>	<b>1,923</b>	<b>0.31</b>
47,545 iShares III Government Bond	1,923	0.31
Total investment assets	617,286	99.64
Net other assets	2,204	0.36
<b>Total Net Assets</b>	<b>619,490</b>	<b>100.00</b>

All investments are approved regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Exchange Traded Funds are listed on recognised stock exchanges.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	596,634
*Collective Investment Schemes classified as Cash Equivalents	20,652
Net investment assets	617,286
Net other assets	2,204
<b>Total Net Assets</b>	<b>619,490</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market III Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	9 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. Exposure to equities and fixed and variable rate interest bearing securities is achieved by investing mainly in passively managed collective investment schemes. Exposure to immovable property is achieved by investing mainly in actively managed collective investment schemes. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
L&G Global Inflation Linked Bond Index	54,437
Other purchases	241,596
<b>Total purchases</b>	<b>296,033</b>

Sales	Proceeds £'000
L&G Global Inflation Linked Bond Index	42,706
Other sales	181,096
<b>Total sales</b>	<b>223,802</b>

### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards				Higher risk Typically Higher rewards		
1	2	3	4	5	6	7
			<b>4</b>			

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 III Interim Report & Financial Statements

## MyFolio Market III Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Bond Funds (31.04%)	28.29
Equity Funds (51.21%)	55.48
Money Market Fund (5.46%)	3.42
Property Funds (11.87%)	12.17
Exchange Traded Bond Fund (0.52%)	0.41
Net other assets (-0.10%)	0.23

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
Vanguard FTSE UK All Share Index	9.48
Vanguard US Equity Index	9.33
BlackRock UK Equity Tracker	7.64
Vanguard UK Investments Grade Bond Index	6.25
BlackRock Continental European Equity Tracker	6.14
L&G UK Index Trust	6.02
Vanguard UK Short-Term Investment Grade Bond Index	5.45
BlackRock Japan Equity Tracker	5.00
L&G Short Dated Corporate Bond Index	4.45
M&G Property Portfolio	3.95

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market III Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	346,052	59.88	577,927,926
	30 June 2014	426,241	64.15	664,485,106
	30 June 2015	546,512	67.80	806,008,420
	31 December 2015	589,600	67.51	873,391,731
Institutional accumulation	30 June 2013	1,833	60.79	3,015,642
	30 June 2014	136,863	65.57	208,728,519
	30 June 2015	198,124	69.83	283,730,491
	31 December 2015	211,256	69.78	302,745,719
Standard Life accumulation	30 June 2013	54	52.04	104,704
	30 June 2014	103	56.24	183,755
	30 June 2015	169	60.00	282,494
	31 December 2015	351	60.02	584,969
Platform 1 accumulation	30 June 2013	10,265	55.93	18,351,287
	30 June 2014	43,176	60.23	71,687,293
	30 June 2015	96,839	64.03	151,240,061
	31 December 2015	115,928	63.93	181,333,510

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market III Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.1386	53.79	48.89
	2012	0.6200	57.16	52.59
	2013	0.6776	63.43	57.57
	2014	0.6595	65.09	61.95
	2015	0.7893	71.77	64.61
Institutional accumulation	2011	0.3700	54.02	49.13
	2012	0.8665	57.83	53.00
	2013	1.0486	64.54	58.25
	2014	1.1193	66.53	63.15
	2015	1.3205	73.80	66.62
Standard Life accumulation	2013**	0.3472	55.28	50.00
	2014	1.0631	57.05	54.12
	2015	1.2397	63.38	57.25
Platform 1 accumulation	2012*	0.0000	53.22	48.81
	2013	0.9353	59.35	53.60
	2014	0.9264	61.11	58.05
	2015	1.0977	67.69	61.07

\* from commencement of the share class on 23 April

\*\* from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.41%	1.41%
Institutional accumulation	0.49%	0.49%
Standard Life accumulation	0.26%	0.26%
Platform 1 accumulation	0.71%	0.71%

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 III Interim Report & Financial Statements

## MyFolio Market III Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(11,868)		19,407
Revenue	13,292		9,378	
Expenses	(4,146)		(3,256)	
Interest and similar charges	(9)		(6)	
Net revenue before taxation	9,137		6,116	
Taxation	(106)		(9)	
Net revenue after taxation		9,031		6,107
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>(2,837)</b>		<b>25,514</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		841,644		606,383
Amounts receivable on issue of shares	97,337		98,602	
Amounts payable on cancellation of shares	(19,358)		(6,873)	
		77,979		91,729
Dilution adjustment*		349		397
Total return and change in net assets attributable to shareholders from investment activities (see above)		(2,837)		25,514
<b>Closing net assets attributable to shareholders</b>		<b>917,135</b>		<b>724,023</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market III Fund

Financial Statements (Continued)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Balance Sheet</b>				
as at 31 December 2015 (unaudited)				
<b>Assets</b>				
Fixed assets:				
Investment assets		883,658		796,501
Current assets:				
Debtors	3,703		4,303	
Cash equivalents	31,369		45,948	
		35,072		50,251
Total assets		918,730		846,752
<b>Liabilities</b>				
Creditors	(841)		(4,860)	
Bank overdrafts	(754)		(248)	
		(1,595)		(5,108)
Total liabilities		(1,595)		(5,108)
<b>Net assets attributable to shareholders</b>		<b>917,135</b>		<b>841,644</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market III Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.58%)</b>	<b>911,275</b>	<b>99.36</b>
<b>Bond Funds (31.04%)</b>	<b>349,811</b>	<b>28.29</b>
20,942,063 BlackRock Corporate Bond Tracker	28,314	3.09
14,225,054 Fidelity Global Inflation-Linked Bond	16,786	1.83
27,433,817 L&G Global Inflation Linked Bond Index	14,120	1.54
79,141,493 L&G Short Dated Corporate Bond Index	40,805	4.45
4,045,058 PIMCO Global High Yield Bond	23,016	2.51
5,154,321 Putnam Global High Yield Bond	23,040	2.51
41,252 Vanguard UK Inflation-Linked Gilt Index	6,093	0.66
696,634 Vanguard UK Investments Grade Bond Index	57,304	6.25
475,911 Vanguard UK Short-Term Investment Grade Bond Index	49,956	5.45
<b>Equity Funds (51.21%)</b>	<b>418,495</b>	<b>55.48</b>
31,681,265 BlackRock Continental European Equity Tracker	56,329	6.14
28,949,559 BlackRock Japan Equity Tracker	45,827	5.00
1,874,962 BlackRock Pacific Ex Japan Equity Tracker	3,887	0.42
40,422,278 BlackRock UK Equity Tracker	70,052	7.64
20,338,653 BlackRock US Equity Tracker	34,189	3.73
23,425,653 L&G UK Index Trust	55,238	6.02
10,523,783 L&G US Index Trust	35,139	3.83
256,677 Vanguard Emerging Markets Stock Index	35,656	3.89
562,029 Vanguard FTSE UK All Share Index	86,982	9.48
301,635 Vanguard US Equity Index	85,573	9.33
<b>Money Market Fund (5.46%)</b>	<b>31,369</b>	<b>3.42</b>
31,369,345 SLI Seabury GBP VNAV Liquidity Fund*	31,369	3.42
<b>Property Funds (11.87%)</b>	<b>111,600</b>	<b>12.17</b>
28,278,832 M&G Property Portfolio	36,273	3.95
33,207,239 SLI Ignis UK Property	35,273	3.85
4,624,872 SLI Ignis UK Property Feeder	4,413	0.48
27,352,856 SLI UK Property	35,641	3.89

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market III Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Exchange Traded Fund (0.52%)</b>	<b>3,752</b>	<b>0.41</b>
<b>Bond Fund (0.52%)</b>	<b>3,752</b>	<b>0.41</b>
92,759 iShares Emerging Market Local Government Bond	3,752	0.41
Total investment assets	915,027	99.77
Net other assets	2,108	0.23
<b>Total Net Assets</b>	<b>917,135</b>	<b>100.00</b>

All investments are approved regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Exchange Traded Funds are listed on recognised stock exchanges.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	883,658
*Collective Investment Schemes classified as Cash Equivalents	31,369
Net investment assets	915,027
Net other assets	2,108
<b>Total Net Assets</b>	<b>917,135</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market IV Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambri
Launch Date	9 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. Exposure to equities and fixed and variable rate interest bearing securities is achieved by investing mainly in passively managed collective investment schemes. Exposure to immovable property is achieved by investing mainly in actively managed collective investment schemes. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference to those assets providing potential for growth, such as equities.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
L&G US Index Trust	18,838
L&G UK Index Trust	17,481
Other purchases	55,813
<b>Total purchases</b>	<b>92,132</b>

Sales	Proceeds £'000
L&G US Index Trust	17,309
Other sales	55,081
<b>Total sales</b>	<b>72,390</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market IV Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Bond Funds (8.00%)	12.30
Equity Funds (76.20%)	73.93
Money Market Fund (2.14%)	2.41
Property Funds (13.64%)	10.67
Exchange Traded Bond Fund (0.00)	0.34
Net other assets (0.02%)	0.35

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
Vanguard FTSE UK All Share Index	15.37
Vanguard US Equity Index	11.85
BlackRock UK Equity Tracker	8.53
BlackRock Continental European Equity Tracker	7.61
L&G US Index Trust	6.73
BlackRock Japan Equity Tracker	6.14
L&G UK Index Trust	5.78
Vanguard Emerging Markets Stock Index	5.63
BlackRock US Equity Tracker	4.97
M&G Property Portfolio	3.62

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market IV Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	105,666	59.91	176,380,647
	30 June 2014	138,932	65.01	213,705,612
	30 June 2015	182,490	69.09	264,133,265
	31 December 2015	196,150	68.68	285,583,324
Institutional accumulation	30 June 2013	1	60.39	1,180
	30 June 2014	43,565	66.63	65,383,164
	30 June 2015	62,020	71.38	86,882,983
	31 December 2015	68,048	71.24	95,522,075
Standard Life accumulation	30 June 2013	102	52.79	192,737
	30 June 2014	215	57.85	372,230
	30 June 2015	246	62.08	396,073
	31 December 2015	235	62.02	378,670
Platform 1 accumulation	30 June 2013	3,730	56.83	6,563,101
	30 June 2014	14,267	62.05	22,991,428
	30 June 2015	31,452	66.35	47,401,144
	31 December 2015	41,647	66.16	62,953,510

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market IV Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.2484	54.46	46.93
	2012	0.5124	56.20	50.81
	2013	0.6776	64.15	56.73
	2014	0.7778	68.75	62.18
	2015	0.8425	73.84	64.45
Institutional accumulation	2011	0.4802	54.69	47.16
	2012	0.7979	56.94	51.27
	2013	0.6333	65.46	57.50
	2014	1.3309	70.69	63.49
	2015	1.4388	76.11	66.63
Standard Life accumulation	2013**	0.1419	56.78	50.00
	2014	1.2361	61.42	55.08
	2015	1.3603	66.17	57.96
Platform 1 accumulation	2012*	0.1219	53.13	47.87
	2013	0.9576	61.02	53.65
	2014	1.1125	65.77	59.17
	2015	1.2206	70.77	61.91

\*from commencement of the share class on 23 April

\*\*from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.45%	1.45%
Institutional accumulation	0.52%	0.52%
Standard Life accumulation	0.30%	0.30%
Platform 1 accumulation	0.75%	0.75%

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 III Interim Report & Financial Statements

## MyFolio Market IV Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(4,878)		5,621
Revenue	5,094		3,761	
Expenses	(1,387)		(1,083)	
Interest and similar charges	(4)		(2)	
Net revenue before taxation	3,703		2,676	
Taxation	0		0	
Net revenue after taxation		3,703		2,676
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>(1,175)</b>		<b>8,297</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		276,208		196,979
Amounts receivable on issue of shares	39,639		43,370	
Amounts payable on cancellation of shares	(8,726)		(6,854)	
		30,913		36,516
Dilution adjustment*		134		179
Total return and change in net assets attributable to shareholders from investment activities (see above)		(1,175)		8,297
<b>Closing net assets attributable to shareholders</b>		<b>306,080</b>		<b>241,971</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market IV Fund

Financial Statements (Continued)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Balance Sheet</b>				
as at 31 December 2015 (unaudited)				
<b>Assets</b>				
Fixed assets:				
Tangible assets				
Investment assets		297,656		270,240
Current assets:				
Debtors	1,403		2,096	
Cash and bank balances	21		0	
Cash equivalents	7,369		5,914	
		8,793		8,010
Total assets		306,449		278,250
<b>Liabilities</b>				
Creditors	(369)		(1,955)	
Bank overdrafts	0		(87)	
		(369)		(2,042)
Total liabilities		(369)		(2,042)
<b>Net assets attributable to shareholders</b>		<b>306,080</b>		<b>276,208</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market IV Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.98%)</b>	<b>303,995</b>	<b>99.31</b>
<b>Bond Funds (8.00%)</b>	<b>112,262</b>	<b>12.30</b>
7,596,311 L&G Short Dated Corporate Bond Index	3,917	1.28
1,764,054 PIMCO Global High Yield Bond	10,038	3.28
2,261,798 Putnam Global High Yield Bond	10,110	3.30
111,716 Vanguard UK Investments Grade Bond Index	9,190	3.00
42,067 Vanguard UK Short-Term Investment Grade Bond Index	4,416	1.44
<b>Equity Funds (76.20%)</b>	<b>151,726</b>	<b>73.93</b>
13,107,999 BlackRock Continental European Equity Tracker	23,306	7.61
11,869,833 BlackRock Japan Equity Tracker	18,790	6.14
1,951,533 BlackRock Pacific Ex Japan Equity Tracker	4,046	1.32
15,061,956 BlackRock UK Equity Tracker	26,102	8.53
9,041,872 BlackRock US Equity Tracker	15,199	4.97
7,508,086 L&G UK Index Trust	17,704	5.78
6,172,528 L&G US Index Trust	20,610	6.73
124,084 Vanguard Emerging Markets Stock Index	17,237	5.63
303,983 Vanguard FTSE UK All Share Index	47,046	15.37
127,874 Vanguard US Equity Index	36,277	11.85
<b>Money Market Fund (2.14%)</b>	<b>7,369</b>	<b>2.41</b>
7,369,059 SLI Seabury GBP VNAV Liquidity Fund*	7,369	2.41
<b>Property Funds (13.64%)</b>	<b>32,638</b>	<b>10.67</b>
8,625,727 M&G Property Portfolio	11,064	3.62
10,106,731 SLI Ignis UK Property	10,735	3.51
8,318,358 SLI UK Property	10,839	3.54

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market IV Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Exchange Traded Fund (0.00%)</b>	<b>1,030</b>	<b>0.34</b>
<b>Bond Fund (0.00%)</b>	<b>1,030</b>	<b>0.34</b>
25,465 iShares III Government Bond	1,030	0.34
Total investment assets	305,025	99.65
Net other assets	1,055	0.35
<b>Total Net Assets</b>	<b>306,080</b>	<b>100.00</b>

All investments are approved regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated. Exchange Traded Funds are listed on recognised stock exchanges.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	297,656
*Collective Investment Schemes classified as Cash Equivalents	7,369
Net investment assets	305,025
Net other assets	1,055
<b>Total Net Assets</b>	<b>306,080</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market V Fund

### Investment Report

#### Fund Information

<b>Fund Manager</b>	Bambos Hambri
<b>Launch Date</b>	9 September 2010

#### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

#### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. Exposure to equities and fixed and variable rate interest bearing securities is achieved by investing mainly in passively managed collective investment schemes. Exposure to immovable property is achieved by investing mainly in actively managed collective investment schemes. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have high exposure to assets providing potential for growth, such as equities.

#### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

#### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
L&G UK Index	5,058
Other purchases	30,871
<b>Total purchases</b>	<b>35,929</b>

During the period the Fund had total sales proceeds of £4,137,000.

#### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards				Higher risk Typically Higher rewards		
1	2	3	4	<b>5</b>	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 III Interim Report & Financial Statements

## MyFolio Market V Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Bond Funds (4.16%)	5.50
Equity Funds (88.51%)	87.54
Money Market Fund (1.49%)	1.09
Property Funds (5.71%)	5.20
Exchange Traded Bond Fund (0.00%)	0.34
Net other assets (0.13%)	0.33

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
Vanguard US Equity Index	14.70
Vanguard FTSE UK All Share Index	14.58
BlackRock Continental European Equity Tracker	9.08
BlackRock UK Equity Tracker	9.03
L&G UK Index	8.71
L&G US Index	7.33
BlackRock US Equity Tracker	7.32
BlackRock Japan Equity Tracker	7.25
Vanguard Emerging Markets Stock Index	7.13
Putnam Global High Yield Bond	2.75

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market V Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	36,667	61.39	59,728,820
	30 June 2014	50,144	66.78	75,084,753
	30 June 2015	67,042	71.33	93,986,650
	31 December 2015	91,552	70.80	129,308,416
Institutional accumulation	30 June 2013	1	62.27	1,181
	30 June 2014	17,756	68.49	25,923,988
	30 June 2015	21,529	73.80	29,172,958
	31 December 2015	22,206	73.57	30,182,785
Standard Life accumulation	30 June 2013	69	53.64	128,904
	30 June 2014	116	58.97	197,216
	30 June 2015	195	63.65	306,777
	31 December 2015	209	63.51	328,890
Platform 1 accumulation	30 June 2013	835	57.97	1,440,269
	30 June 2014	4,443	63.50	6,996,585
	30 June 2015	9,529	68.30	13,952,029
	31 December 2015	14,243	68.02	20,938,662

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market V Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.2079	55.78	46.30
	2012	0.3306	56.24	50.20
	2013	0.4826	65.95	56.91
	2014	0.6474	67.94	63.23
	2015	0.6862	76.86	65.50
Institutional accumulation	2011	0.4331	56.02	46.53
	2012	0.6349	56.93	50.67
	2013	0.8235	67.15	57.63
	2014	1.2626	69.65	64.62
	2015	1.3415	79.36	67.85
Standard Life accumulation	2013**	0.0754	57.77	50.00
	2014	1.1517	59.96	55.60
	2015	1.2687	68.42	58.54
Platform 1 accumulation	2012*	0.0000	52.91	47.05
	2013	0.8243	62.34	53.56
	2014	1.0229	64.59	59.96
	2015	1.1202	73.47	62.78

\* from commencement of share class on 23 April

\*\* from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.40%	1.40%
Institutional accumulation	0.47%	0.47%
Standard Life accumulation	0.25%	0.25%
Platform 1 accumulation	0.70%	0.70%

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 III Interim Report & Financial Statements

## MyFolio Market V Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(2,107)		2,531
Revenue	1,835		1,396	
Expenses	(537)		(403)	
Interest and similar charges	(2)		(1)	
Net revenue before taxation	1,296		992	
Taxation	0		0	
Net revenue after taxation		1,296		992
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>(811)</b>		<b>3,523</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		98,295		72,459
Amounts receivable on issue of shares	38,246		17,173	
Amounts payable on cancellation of shares	(7,595)		(5,322)	
		30,651		11,810
Dilution adjustment*		75		29
Total return and change in net assets attributable to shareholders from investment activities (see above)		(811)		3,523
<b>Closing net assets attributable to shareholders</b>		<b>128,210</b>		<b>87,821</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market V Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		126,388		96,704
Current assets:				
Debtors	462		573	
Cash and bank balances	70		0	
Cash equivalents	1,400		1,465	
		1,932		2,038
Total assets		128,320		98,742
<b>Liabilities</b>				
Creditors	(110)		(422)	
Bank overdrafts	0		(25)	
Total liabilities		(110)		(447)
<b>Net assets attributable to shareholders</b>		128,210		98,295

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market V Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.87%)</b>	<b>127,347</b>	<b>99.33</b>
<b>Bond Funds (4.16%)</b>	<b>7,045</b>	<b>5.50</b>
618,703 PIMCO Global High Yield Bond	3,520	2.75
788,622 Putnam Global High Yield Bond	3,525	2.75
<b>Equity Funds (88.51%)</b>	<b>112,240</b>	<b>87.54</b>
6,550,078 BlackRock Continental European Equity Tracker	11,646	9.08
5,876,470 BlackRock Japan Equity Tracker	9,302	7.25
1,493,209 BlackRock Pacific Ex Japan Equity Tracker	3,095	2.41
6,681,515 BlackRock UK Equity Tracker	11,579	9.03
5,584,030 BlackRock US Equity Tracker	9,387	7.32
4,734,150 L&G UK Index	11,163	8.71
2,813,131 L&G US Index	9,393	7.33
65,769 Vanguard Emerging Markets Stock Index	9,136	7.13
120,762 Vanguard FTSE UK All Share Index	18,690	14.58
66,439 Vanguard US Equity Index	18,849	14.70
<b>Money Market Fund (1.49%)</b>	<b>1,400</b>	<b>1.09</b>
1,399,612 SLI Seabury GBP VNAV Liquidity Fund*	1,400	1.09
<b>Property Funds (5.71%)</b>	<b>6,662</b>	<b>5.20</b>
1,758,009 M&G Property Portfolio	2,255	1.76
2,063,600 SLI Ignis UK Property	2,192	1.71
1,700,090 SLI UK Property	2,215	1.73
<b>Exchange Traded Fund (0.00%)</b>	<b>441</b>	<b>0.34</b>
<b>Bond Fund (0.00%)</b>	<b>441</b>	<b>0.34</b>
10,894 iShares III Government Bond	441	0.34

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Market V Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
Total investment assets	127,788	99.67
Net other assets	422	0.33
<b>Total Net Assets</b>	<b>128,210</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	126,388
*Collective Investment Schemes classified as Cash Equivalents	1,400
Net investment assets	127,788
Net other assets	422
<b>Total Net Assets</b>	<b>128,210</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager I Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	20 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a high exposure to lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £10,612,000 and the total proceeds from sales were £9,818,000.

### 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.

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager I Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (12.63%)	12.57
Bond Funds (49.28%)	55.16
Equity Funds (17.06%)	15.61
Money Market Fund (13.79%)	10.99
Property Funds (4.41%)	4.87
Exchange Traded Bond Fund (2.00%)	-
Net other assets (0.83%)	0.80

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Seabury GBP VNAV Liquidity Fund	10.99
BNY Mellon Absolute Return Bond	6.91
Fidelity UK Corporate Bond	6.57
Twentyfour Global Corporate Bond	5.69
SLI Global Absolute Return Strategies	5.66
Morgan Stanley Sterling Corporate Bond	5.63
Smith & Williamson Short Dated Corporate Bond	4.62
AXA Sterling Credit Short Duration	4.44
Royal London Short Duration Gilts	4.08
Royal London Global Index Linked	4.01

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager I Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	54,090	55.27	97,859,528
	30 June 2014	29,236	57.55	50,799,746
	30 June 2015	30,302	59.68	50,773,353
	31 December 2015	26,534	59.31	44,738,753
Institutional accumulation	30 June 2013	1	55.03	1,181
	30 June 2014	12,321	58.93	20,909,024
	30 June 2015	11,647	61.57	18,917,138
	31 December 2015	11,500	61.41	18,724,595
Standard Life accumulation	30 June 2013	8	50.36	16,679
	30 June 2014	170	53.08	321,352
	30 June 2015	11	56.00	19,347
	31 December 2015	74	55.98	131,175
Platform 1 accumulation	30 June 2013	2,081	52.87	3,935,354
	30 June 2014	4,273	55.38	7,714,937
	30 June 2015	7,313	57.74	12,663,884
	31 December 2015	10,217	57.55	17,754,526

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager I Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.1934	52.26	48.86
	2012	0.3201	54.94	52.06
	2013	0.3989	57.26	54.91
	2014	0.2624	59.47	56.65
	2015	0.3324	61.36	58.75
Institutional accumulation	2011	0.3732	52.74	48.96
	2012	0.6157	55.61	52.53
	2013	0.6408	58.06	55.57
	2014	0.7381	61.13	57.80
	2015	0.7925	63.20	60.72
Standard Life accumulation	2013**	0.2915	52.15	50.00
	2014	0.8226	55.51	51.97
	2015	0.9349	57.42	55.27
Platform 1 accumulation	2012*	0.0280	52.39	50.00
	2013	0.6994	54.74	52.37
	2014	0.5534	57.38	54.36
	2015	0.6393	59.29	56.92

\*from commencement of the share class on 26 April

\*\*from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.89%	1.89%
Institutional accumulation	0.96%	0.96%
Standard Life accumulation	0.49%	0.49%
Platform 1 accumulation	1.19%	1.19%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager I Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(377)		1,251
Revenue	449		509	
Expenses	(286)		(281)	
Net revenue before taxation	163		228	
Taxation	0		0	
Net revenue after taxation		163		228
		(214)		1,479
Provision for income tax withheld on future distributions		(30)		(38)
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>(244)</b>		<b>1,441</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		49,273		46,000
Amounts receivable on issue of shares	6,898		5,747	
Amounts payable on cancellation of shares	(7,601)		(6,526)	
		(703)		(779)
Dilution adjustment*		(1)		(1)
Total return and change in net assets attributable to shareholders from investment activities (see above)		(244)		1,441
<b>Closing net assets attributable to shareholders</b>		<b>48,325</b>		<b>46,661</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager I Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		42,630		42,066
Current assets:				
Debtors	463		1,035	
Cash and bank balances	3		0	
Cash equivalents	5,310		6,796	
		5,776		7,831
Total assets		48,406		49,897
<b>Liabilities</b>				
Creditors	(81)		(601)	
Bank overdrafts	0		(23)	
Total liabilities		(81)		(624)
<b>Net assets attributable to shareholders</b>		48,325		49,273

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager I Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (97.17%)</b>	<b>47,940</b>	<b>99.20</b>
<b>Absolute Return Funds (12.63%)</b>	<b>6,076</b>	<b>12.57</b>
33,193 BNY Mellon Absolute Return Bond	3,338	6.91
3,602,579 SLI Global Absolute Return Strategies	2,738	5.66
<b>Bond Funds (49.28%)</b>	<b>26,660</b>	<b>55.16</b>
464,141 Allianz PIMCO Gilt Yield	758	1.57
1,903,650 AXA Sterling Credit Short Duration	2,144	4.44
408,814 BlackRock UK Gilts All Stocks Tracker	616	1.28
1,629,889 Fidelity Global Inflation-Linked Bond	1,923	3.98
136,722 Fidelity Reduced Duration UK Corporate Bond	1,427	2.95
2,619,479 Fidelity UK Corporate Bond	3,177	6.57
117,072 Morgan Stanley Sterling Corporate Bond	2,723	5.63
86,454 Neuberger Berman Emerging Markets Debt	706	1.46
13,507 Nomura US High Yield Bond	1,402	2.90
1,644,852 Royal London Global Index Linked	1,939	4.01
998,809 Royal London Short Duration Credit	1,004	2.08
1,962,247 Royal London Short Duration Gilts	1,974	4.08
2,309,534 Smith & Williamson Short Dated Corporate Bond	2,231	4.62
586,154 Threadneedle UK High Yield Bond	350	0.72
27,670 Twentyfour Global Corporate Bond	2,748	5.69
14,655 Vanguard UK Short-Term Investment Grade Bond Index	1,538	3.18
<b>Equity Funds (17.06%)</b>	<b>7,542</b>	<b>15.61</b>
1,012,521 Artemis European Opportunities	923	1.91
129,935 Artemis Income	452	0.93
519,593 Artemis US Select	627	1.30
107,537 CF Morant Wright Nippon Yield	325	0.67
93,551 Edinburgh Partners European Opportunities	173	0.36
107,220 Fidelity UK Smaller Companies	209	0.43
401,960 Investec UK Alpha	696	1.44
1,225,233 JO Hambro UK Dynamic	1,296	2.68
185,792 L&G All Stocks Gilt Index Trust	371	0.77
624,179 Majedie UK Equity	874	1.81

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager I Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Equity Funds (continued)</b>		
1,773 Mirabaud Equity Europe Ex UK Smaller Companies	192	0.40
12,598 River & Mercantile UK Equity Smaller Companies	196	0.41
889,031 Schroder Tokyo Trust	541	1.12
2,351 Vanguard US Equity Index	667	1.38
<b>Money Market Fund (13.79%)</b>	<b>5,310</b>	<b>10.99</b>
5,309,890 SLI Seabury GBP VNAV Liquidity Fund*	5,310	10.99
<b>Property Funds (4.41%)</b>	<b>2,352</b>	<b>4.87</b>
1,210,618 Henderson UK Property	1,531	3.17
835,883 M&G Property Portfolio Feeder	821	1.70
<b>Exchange Traded Fund (2.00%)</b>	-	-
<b>Bond Fund (2.00%)</b>	-	-
Total investment assets	47,940	99.20
Net other assets	385	0.80
<b>Total Net Assets</b>	<b>48,325</b>	<b>100.00</b>
All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.		
The percentage figures in brackets show the comparative holding as at 30 June 2015.		
		<b>Market value £'000</b>
<b>Reconciliation of assets and liabilities to the balance sheet</b>		
Investment assets as per the Balance Sheet		42,630
*Collective Investment Schemes classified as Cash Equivalents		5,310
Net investment assets		47,940
Net other assets		385
<b>Total Net Assets</b>		<b>48,325</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager II Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	20 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference towards lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) purchases made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
Royal London Global Index Linked	15,327
Other purchases	61,911
<b>Total purchases</b>	<b>77,238</b>

During the period the Fund had total sales proceeds of £51,706,000.

### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	<b>3</b>	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 III Interim Report & Financial Statements

## MyFolio Multi-Manager II Fund

Investment Report (Continued)

Composition of Portfolio	%
<b>31 December 2015</b>	
Absolute Return Funds (15.00%)	15.10
Bond Funds (37.48%)	42.87
Equity Funds (32.10%)	30.17
Money Market Fund (6.75%)	3.14
Property Funds (7.35%)	8.15
Exchange Traded Bond Fund (1.28%)	-
Net other assets (0.04%)	0.57

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
<b>as at 31 December 2015</b>	
SLI Global Absolute Return Strategies	9.63
Fidelity UK Corporate Bond	5.98
BNY Mellon Absolute Return Bond	5.47
Henderson UK Property	4.86
Royal London Global Index Linked	4.63
Twentyfour Global Corporate Bond	4.54
Morgan Stanley Sterling Corporate Bond	4.43
Fidelity Global Inflation-Linked Bond	4.35
JO Hambro UK Dynamic	3.79
Majedie UK Equity	3.46

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager II Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	230,109	58.06	396,296,953
	30 June 2014	161,733	61.01	265,072,450
	30 June 2015	178,117	64.51	276,124,823
	31 December 2015	179,749	64.29	279,583,987
Institutional accumulation	30 June 2013	105	58.92	178,979
	30 June 2014	87,743	62.38	140,666,469
	30 June 2015	86,834	66.44	130,703,620
	31 December 2015	88,014	66.46	132,428,848
Standard Life accumulation	30 June 2013	7	51.08	12,902
	30 June 2014	80	54.30	147,748
	30 June 2015	48	58.13	81,813
	31 December 2015	47	58.26	81,161
Platform 1 accumulation	30 June 2013	3,039	54.44	5,582,005
	30 June 2014	18,080	57.52	31,434,439
	30 June 2015	32,846	61.14	53,722,457
	31 December 2015	43,698	61.11	71,507,140

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager II Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.2409	52.55	49.87
	2012	0.4046	56.68	52.50
	2013	0.4874	60.46	56.83
	2014	0.4120	63.84	59.75
	2015	0.4181	66.72	62.92
Institutional accumulation	2011	0.4400	52.99	49.99
	2012	0.7032	57.33	52.93
	2013	0.8548	61.45	57.48
	2014	0.8189	65.48	60.96
	2015	0.9120	68.61	64.92
Standard Life accumulation	2013**	0.3248	53.38	50.00
	2014	0.9337	57.18	52.96
	2015	1.0135	59.98	56.85
Platform 1 accumulation	2012*	0.0533	52.99	49.72
	2013	0.7701	56.71	53.13
	2014	0.6575	60.32	56.24
	2015	0.7302	63.17	59.72

\*from commencement of the share class on 26 April

\*\*from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.94%	1.94%
Institutional accumulation	1.02%	1.02%
Standard Life accumulation	0.54%	0.54%
Platform 1 accumulation	1.24%	1.24%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager II Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(1,692)		9,304
Revenue	2,891		3,042	
Expenses	(1,757)		(1,564)	
Interest and similar charges	(2)		(1)	
Net revenue before taxation	1,132		1,477	
Taxation	(97)		(169)	
Net revenue after taxation		1,035		1,308
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>(657)</b>		<b>10,612</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		297,845		267,636
Amounts receivable on issue of shares	32,471		34,153	
Amounts payable on cancellation of shares	(18,187)		(28,450)	
		14,284		5,703
Dilution adjustment*		36		16
Total return and change in net assets attributable to shareholders from investment activities (see above)		(657)		10,612
<b>Closing net assets attributable to shareholders</b>		<b>311,508</b>		<b>283,967</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager II Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		299,976		277,621
Current assets:				
Debtors	2,011		3,400	
Cash and bank balances	287		0	
Cash equivalents	9,769		20,098	
		12,067		23,498
Total assets		312,043		301,119
<b>Liabilities</b>				
Creditors	(535)		(2,964)	
Bank overdrafts	0		(310)	
Total liabilities		(535)		(3,274)
<b>Net assets attributable to shareholders</b>		311,508		297,845

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager II Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (98.68%)</b>	<b>309,745</b>	<b>99.43</b>
<b>Absolute Return Funds (15.00%)</b>	<b>47,049</b>	<b>15.10</b>
169,609 BNY Mellon Absolute Return Bond	17,055	5.47
39,460,068 SLI Global Absolute Return Strategies	29,994	9.63
<b>Bond Funds (37.48%)</b>	<b>133,568</b>	<b>42.87</b>
8,489,129 AXA Sterling Credit Short Duration	9,559	3.07
11,487,374 Fidelity Global Inflation-Linked Bond	13,555	4.35
979,024 Fidelity Reduced Duration UK Corporate Bond	10,221	3.28
15,370,404 Fidelity UK Corporate Bond	18,644	5.98
592,967 Morgan Stanley Sterling Corporate Bond	13,789	4.43
70,001 Neuberger Berman Emerging Markets Debt	572	0.18
93,603 Nomura US High Yield Bond	9,714	3.12
12,239,281 Royal London Global Index Linked	14,430	4.63
8,036,967 Royal London Short Duration Credit	8,077	2.59
10,188,723 Smith & Williamson Short Dated Corporate Bond	9,841	3.16
4,053,874 Threadneedle UK High Yield Bond	2,423	0.78
142,318 Twentyfour Global Corporate Bond	14,134	4.54
82,012 Vanguard UK Short-Term Investment Grade Bond Index	8,609	2.76
<b>Equity Funds (32.10%)</b>	<b>93,980</b>	<b>30.17</b>
9,757,784 Artemis European Opportunities	8,890	2.85
1,961,460 Artemis Income	6,826	2.19
8,017,752 Artemis US Select	9,677	3.11
3,218,586 BlackRock US Equity Tracker	5,410	1.74
1,026,351 CF Morant Wright Nippon Yield	3,102	1.00
1,443,820 Edinburgh Partners European Opportunities	2,667	0.86
1,296,648 Fidelity UK Smaller Companies	2,522	0.81
1,852,320 Invesco Perpetual Emerging Countries	2,860	0.92
4,196,548 Investec UK Alpha	7,265	2.33
11,168,425 JO Hambro UK Dynamic	11,816	3.79
533,584 L&G US Index	1,782	0.57
7,694,300 Majedie UK Equity	10,778	3.46
13,009 Mirabaud Equity Europe Ex UK Smaller Companies	1,410	0.45

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager II Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Equity Funds (continued)</b>		
155,112 River & Mercantile UK Equity Smaller Companies	2,416	0.78
12,590,060 Schroder Tokyo Trust	7,666	2.46
31,347 Vanguard US Equity Index	8,893	2.85
<b>Money Market Fund (6.75%)</b>		<b>3.14</b>
9,768,711 SLI Seabury GBP VNAV Liquidity Fund*	9,769	3.14
<b>Property Funds (7.35%)</b>		<b>8.15</b>
11,968,610 Henderson UK Property	15,132	4.86
10,431,521 M&G Property Portfolio Feeder	10,247	3.29
<b>Exchange Traded Fund (1.28%)</b>		-
<b>Bond Fund (1.28%)</b>		-
Total investment assets	309,745	99.43
Net other assets	1,763	0.57
<b>Total Net Assets</b>	<b>311,508</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	299,976
*Collective Investment Schemes classified as Cash Equivalents	9,769
Net investment assets	309,745
Net other assets	1,763
<b>Total Net Assets</b>	<b>311,508</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager III Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	20 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £124,826,000 and the total proceeds from sales were £76,158,000.

### 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.

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager III Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Fund (17.13%)	17.34
Bond Funds (24.19%)	25.31
Equity Funds (44.85%)	44.27
Money Market Fund (4.21%)	3.26
Property Funds (9.30%)	9.45
Net other assets (0.32%)	0.37

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	13.76
Henderson UK Property	5.07
JO Hambro UK Dynamic	4.65
Vanguard US Equity Index	4.51
Investec UK Alpha	4.46
Majedie UK Equity	4.44
M&G Property Portfolio	4.38
Artemis US Select	4.36
Fidelity UK Corporate Bond	4.17
Artemis European Opportunities	3.77

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager III Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	360,944	59.26	609,077,744
	30 June 2014	361,709	63.16	572,662,115
	30 June 2015	400,768	67.13	597,008,882
	31 December 2015	411,484	67.02	614,002,742
Institutional accumulation	30 June 2013	1	60.24	1,177
	30 June 2014	138,685	64.71	214,329,413
	30 June 2015	165,919	69.28	239,488,958
	31 December 2015	180,590	69.42	260,132,873
Standard Life accumulation	30 June 2013	138	52.06	265,784
	30 June 2014	751	56.14	1,337,014
	30 June 2015	1,129	60.33	1,870,974
	31 December 2015	585	60.55	966,816
Platform 1 accumulation	30 June 2013	3,254	56.05	5,805,275
	30 June 2014	20,688	60.10	34,424,204
	30 June 2015	55,626	64.22	86,614,139
	31 December 2015	72,800	64.30	113,223,834

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager III Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.3271	52.38	48.63
	2012	0.4739	56.58	51.56
	2013	0.5751	62.51	56.90
	2014	0.4594	66.27	61.44
	2015	0.5277	69.97	64.76
Institutional accumulation	2011	0.5708	52.61	48.89
	2012	0.7822	57.29	51.94
	2013	1.0484	63.81	57.62
	2014	0.9310	68.11	62.75
	2015	1.0445	72.10	66.91
Standard Life accumulation	2013**	0.3187	55.26	50.00
	2014	1.0146	59.19	54.36
	2015	1.1322	62.74	58.30
Platform 1 accumulation	2012*	0.0953	53.34	49.04
	2013	0.8704	59.32	53.65
	2014	0.7605	63.20	58.32
	2015	0.8543	66.86	62.01

\*from commencement of the share class on 26 April

\*\*from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.02%	2.02%
Institutional accumulation	1.10%	1.10%
Standard Life accumulation	0.62%	0.62%
Platform 1 accumulation	1.32%	1.32%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager III Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(2,325)		17,750
Revenue	5,947		6,569	
Expenses	(3,787)		(3,343)	
Interest and similar charges	(1)		(1)	
Net revenue before taxation	2,159		3,225	
Taxation	(64)		(306)	
Net revenue after taxation		2,095		2,919
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>(230)</b>		<b>20,669</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		623,442		521,833
Amounts receivable on issue of shares	67,667		50,311	
Amounts payable on cancellation of shares	(25,549)		(18,240)	
		42,118		32,071
Dilution adjustment*		129		90
Total return and change in net assets attributable to shareholders from investment activities (see above)		(230)		20,669
<b>Closing net assets attributable to shareholders</b>		<b>665,459</b>		<b>574,663</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager III Fund

Financial Statements (continued)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Balance Sheet</b>				
as at 31 December 2015 (unaudited)				
<b>Assets</b>				
Fixed assets:				
Investment assets		641,313		595,219
Current assets:				
Debtors	3,127		4,138	
Cash and bank balances	156		0	
Cash equivalents	21,683		26,223	
		24,966		30,361
Total assets		666,279		625,580
<b>Liabilities</b>				
Creditors	(820)		(1,267)	
Bank overdrafts	0		(871)	
Total liabilities		(820)		(2,138)
<b>Net assets attributable to shareholders</b>		<b>665,459</b>		<b>623,442</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager III Fund

### Portfolio Statement

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.68%)</b>	<b>662,996</b>	<b>99.63</b>
<b>Absolute Return Fund (17.13%)</b>	<b>115,424</b>	<b>17.34</b>
236,977 BNY Mellon Absolute Return Bond	23,829	3.58
120,504,165 SLI Global Absolute Return Strategies	91,595	13.76
<b>Bond Funds (24.19%)</b>	<b>168,397</b>	<b>25.31</b>
11,741,535 AXA Sterling Credit Short Duration	13,221	1.99
7,490,922 Fidelity Global Inflation-Linked Bond	8,839	1.33
1,762,368 Fidelity Reduced Duration UK Corporate Bond	18,399	2.76
22,896,265 Fidelity UK Corporate Bond	27,773	4.17
691,463 Morgan Stanley Sterling Corporate Bond	16,080	2.42
268,684 Neuberger Berman Emerging Markets Debt	2,195	0.33
223,645 Nomura US High Yield Bond	23,210	3.49
10,296,987 Royal London Global Index Linked	12,140	1.82
4,898,616 Royal London Short Duration Credit	4,923	0.74
11,172,391 Smith & Williamson Short Dated Corporate Bond	10,791	1.62
9,655,296 Threadneedle UK High Yield Bond	5,772	0.87
143,918 Twentyfour Global Corporate Bond	14,293	2.15
102,510 Vanguard UK Short-Term Investment Grade Bond Index	10,761	1.62
<b>Equity Funds (44.85%)</b>	<b>294,571</b>	<b>44.27</b>
27,552,334 Artemis European Opportunities	25,103	3.77
5,197,629 Artemis Income	18,089	2.72
24,060,867 Artemis US Select	29,039	4.36
10,182,797 BlackRock US Equity Tracker	17,117	2.57
3,418,620 CF Morant Wright Nippon Yield	10,332	1.55
3,939,397 Edinburgh Partners European Opportunities	7,276	1.09
4,399,811 Fidelity UK Smaller Companies	8,558	1.29
10,931,156 Invesco Perpetual Emerging Countries	16,880	2.54
17,156,594 Investec UK Alpha	29,700	4.46
29,222,418 JO Hambro UK Dynamic	30,917	4.65
3,298,697 L&G US Index	11,014	1.66
21,093,150 Majedie UK Equity	29,545	4.44
36,025 Mirabaud Equity Europe Ex UK Smaller Companies	3,904	0.59

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager III Fund

Portfolio Statement (continued)

Holding	Market value £'000	Percentage of total net assets
<b>Equity Funds (continued)</b>		
526,966 River & Mercantile UK Equity Smaller Companies	8,209	1.23
30,980,485 Schroder Tokyo Trust	18,864	2.84
105,831 Vanguard US Equity Index	30,024	4.51
<b>Money Market Fund (4.21%)</b>		<b>3.26</b>
21,682,849 SLI Seabury GBP VNAV Liquidity Fund*	21,683	3.26
<b>Property Funds (9.30%)</b>		<b>9.45</b>
26,690,328 Henderson UK Property	33,745	5.07
22,745,522 M&G Property Portfolio	29,176	4.38
Total investment assets	662,996	99.63
Net other assets	2,463	0.37
<b>Total Net Assets</b>	<b>665,459</b>	<b>100.00</b>
All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.		
The percentage figures in brackets show the comparative holding as at 30 June 2015.		
		Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>		
Investment assets as per the Balance Sheet	641,313	
*Collective Investment Schemes classified as Cash Equivalents	21,683	
Net investment assets	662,996	
Net other assets	2,463	
<b>Total Net Assets</b>	<b>665,459</b>	

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager IV Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	20 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference to those assets providing potential for growth, such as equities.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the underlying portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £74,865,000 and the total proceeds from sales were £56,569,000.

### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	3	<b>4</b>	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 III Interim Report & Financial Statements

## MyFolio Multi-Manager IV Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (19.35%)	19.18
Bond Funds (9.29%)	9.67
Equity Funds (58.61%)	59.05
Money Market Fund (1.54%)	1.83
Property Funds (11.06%)	9.72
Net other assets (0.15%)	0.55

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	17.66
JO Hambro UK Dynamic	6.21
Henderson UK Property	5.93
Artemis US Select	5.74
Majedie UK Equity	5.71
Investec UK Alpha	5.41
Vanguard US Equity Index	4.94
L&G US Index	4.83
Nomura US High Yield Bond	4.52
Artemis European Opportunities	4.27

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager IV Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	133,180	60.70	219,408,239
	30 June 2014	142,607	65.65	217,212,156
	30 June 2015	221,925	70.74	313,710,680
	31 December 2015	230,149	70.72	325,455,550
Institutional accumulation	30 June 2013	1	61.64	1,177
	30 June 2014	48,135	67.06	71,781,035
	30 June 2015	60,697	72.79	83,386,962
	31 December 2015	65,107	73.08	89,090,451
Standard Life accumulation	30 June 2013	152	52.77	288,797
	30 June 2014	606	57.74	1,048,972
	30 June 2015	1,072	62.91	1,703,336
	31 December 2015	1,095	63.28	1,730,992
Platform 1 accumulation	30 June 2013	661	57.11	1,157,052
	30 June 2014	7,954	62.13	12,802,617
	30 June 2015	26,569	67.31	39,470,529
	31 December 2015	34,563	67.52	51,192,648

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager IV Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.2522	53.41	47.78
	2012	0.3562	57.01	51.39
	2013	0.4664	65.13	57.45
	2014	0.4405	69.61	63.54
	2015	0.4147	74.16	67.32
Institutional accumulation	2011	0.5072	53.65	48.03
	2012	0.6438	57.59	51.76
	2013	0.9739	66.29	58.05
	2014	0.9320	71.33	64.71
	2015	0.9608	76.18	69.36
Standard Life accumulation	2013**	0.3040	56.97	50.00
	2014	1.0163	61.52	55.63
	2015	1.0606	65.79	59.98
Platform 1 accumulation	2012*	0.0876	53.47	48.46
	2013	0.7627	61.47	53.89
	2014	0.7548	66.03	60.00
	2015	0.7683	70.48	64.12

\* from commencement of the share class on 26 April

\*\* from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.12%	2.12%
Institutional accumulation	1.19%	1.19%
Standard Life accumulation	0.72%	0.72%
Platform 1 accumulation	1.42%	1.42%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager IV Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(216)		7,968
Revenue	2,353		2,285	
Expenses	(1,992)		(1,405)	
Interest and similar charges	(1)		(2)	
Net revenue before taxation	360		878	
Taxation	0		(31)	
Net revenue after taxation		360		847
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>144</b>		<b>8,815</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		310,263		199,302
Amounts receivable on issue of shares	34,532		82,753	
Amounts payable on cancellation of shares	(14,094)		(8,312)	
		20,438		74,441
Dilution adjustment*		69		272
Total return and change in net assets attributable to shareholders from investment activities (see above)		144		8,815
<b>Closing net assets attributable to shareholders</b>		<b>330,914</b>		<b>282,830</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager IV Fund

Financial Statements (Continued)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Balance Sheet</b>				
as at 31 December 2015 (unaudited)				
<b>Assets</b>				
Fixed assets:				
Investment assets		323,030		305,032
Current assets:				
Debtors	2,104		2,718	
Cash and bank balances	380		0	
Cash equivalents	6,048		4,780	
		8,532		7,498
Total assets		331,562		312,530
<b>Liabilities</b>				
Creditors	(648)		(1,803)	
Bank overdrafts	0		(464)	
Total liabilities		(648)		(2,267)
<b>Net assets attributable to shareholders</b>		<b>330,914</b>		<b>310,263</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager IV Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.85%)</b>	<b>329,078</b>	<b>99.45</b>
<b>Absolute Return Funds (19.35%)</b>	<b>63,465</b>	<b>19.18</b>
50,000 BNY Mellon Absolute Return Bond	5,028	1.52
76,880,654 SLI Global Absolute Return Strategies	58,437	17.66
<b>Bond Funds (9.29%)</b>	<b>32,010</b>	<b>9.67</b>
1,177,989 AXA Sterling Credit Short Duration	1,326	0.40
220,582 Fidelity Reduced Duration UK Corporate Bond	2,303	0.70
92,663 Neuberger Berman Emerging Markets Debt	757	0.23
144,028 Nomura US High Yield Bond	14,947	4.52
1,383,479 Royal London Short Duration Credit	1,390	0.42
6,226,779 Threadneedle UK High Yield Bond	3,722	1.12
65,753 Twentyfour Global Corporate Bond	6,530	1.97
9,865 Vanguard UK Short-Term Investment Grade Bond Index	1,035	0.31
<b>Equity Funds (58.61%)</b>	<b>195,392</b>	<b>59.05</b>
15,507,236 Artemis European Opportunities	14,129	4.27
3,334,707 Artemis Income	11,606	3.51
15,743,770 Artemis US Select	19,001	5.74
5,761,801 BlackRock US Equity Tracker	9,686	2.93
2,009,742 CF Morant Wright Nippon Yield	6,074	1.83
2,106,631 Edinburgh Partners European Opportunities	3,891	1.18
2,544,413 Fidelity UK Smaller Companies	4,949	1.49
5,523,904 Invesco Perpetual Emerging Countries	8,530	2.58
10,353,130 Investec UK Alpha	17,922	5.41
19,413,318 JO Hambro UK Dynamic	20,539	6.21
4,787,340 L&G US Index	15,985	4.83
13,495,065 Majedie UK Equity	18,903	5.71
32,613 Mirabaud Equity Europe Ex UK Smaller Companies	3,534	1.07
233,542 Mirae Asset Asia Sector Equity Fund	1,513	0.46
292,501 River & Mercantile UK Equity Smaller Companies	4,557	1.38
10,132,394 Schroder Small Cap Discovery	6,763	2.04
18,847,195 Schroder Tokyo Trust	11,476	3.47
57,574 Vanguard US Equity Index	16,334	4.94

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager IV Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Money Market Fund (1.54%)</b>	<b>6,048</b>	<b>1.83</b>
6,047,880 SLI Seabury GBP VNAV Liquidity Fund*	6,048	1.83
<b>Property Funds (11.06%)</b>	<b>32,163</b>	<b>9.72</b>
15,518,922 Henderson UK Property	19,621	5.93
9,778,190 M&G Property Portfolio	12,542	3.79
Total investment assets	329,078	99.45
Net other assets	1,836	0.55
<b>Total Net Assets</b>	<b>330,914</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	323,030
*Collective Investment Schemes classified as Cash Equivalents	6,048
Net investment assets	329,078
Net other assets	1,836
<b>Total Net Assets</b>	<b>330,914</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager V Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	20 September 2010

### Investment objective

The Fund aims to provide a total return from a combination of income and capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve exposure to diversified investments, of primarily equities, but which may include fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have high exposure to assets providing potential for growth, such as equities.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of total return from a combination of capital appreciation and income over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The investor must be able to accept significant temporary losses to capital due to the volatile nature of equity, bond, property and currency markets and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £25,448,000 and the total proceeds from sales were £10,685,000.

### 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.

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager V Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Fund (19.94%)	19.47
Bond Funds (3.50%)	4.94
Equity Funds (70.71%)	69.98
Money Market Fund (1.81%)	0.85
Property Funds (4.34%)	4.37
Net other assets (-0.30%)	0.39

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	19.47
Vanguard US Equity Index	7.17
JO Hambro UK Dynamic	6.57
Majedie UK Equity	6.32
Artemis US Select	6.19
Investec UK Alpha	5.56
L&G US Index	5.06
BlackRock US Equity Tracker	5.04
Artemis European Opportunities	4.96
Schroder Tokyo Trust	3.87

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager V Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	64,269	61.28	104,872,251
	30 June 2014	71,536	66.25	107,973,755
	30 June 2015	107,152	72.01	148,792,152
	31 December 2015	115,819	72.03	160,788,669
Institutional accumulation	30 June 2013	1	62.45	1,179
	30 June 2014	23,080	67.90	33,989,930
	30 June 2015	31,988	74.42	42,984,341
	31 December 2015	34,643	74.78	46,327,362
Standard Life accumulation	30 June 2013	64	53.57	119,955
	30 June 2014	428	58.62	730,537
	30 June 2015	684	64.49	1,060,838
	31 December 2015	710	64.93	1,093,955
Platform 1 accumulation	30 June 2013	394	58.21	676,542
	30 June 2014	5,027	63.34	7,937,535
	30 June 2015	13,874	69.29	20,021,354
	31 December 2015	17,221	69.55	24,759,462

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager V Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011	0.0831	53.93	46.51
	2012	0.1551	56.35	50.61
	2013	0.1963	65.97	56.90
	2014	0.2046	70.68	63.92
	2015	0.2163	75.92	67.78
Institutional accumulation	2011	0.3693	54.19	46.78
	2012	0.4769	57.08	51.01
	2013	0.7646	67.35	57.65
	2014	0.7537	72.70	65.31
	2015	0.8288	78.32	70.13
Standard Life accumulation	2013**	0.2452	58.04	50.00
	2014	0.8636	62.86	56.29
	2015	0.9576	67.82	60.81
Platform 1 accumulation	2012*	0.0757	53.35	47.80
	2013	0.5532	62.88	53.88
	2014	0.5896	67.76	60.96
	2015	0.6501	72.96	65.28

\* from commencement of the share class on 26 April

\*\* from commencement of the share class on 14 January

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.08%	2.08%
Institutional accumulation	1.15%	1.15%
Standard Life accumulation	0.68%	0.68%
Platform 1 accumulation	1.38%	1.38%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager V Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		199		5,024
Revenue	1,097		1,010	
Expenses	(998)		(698)	
Interest and similar charges	0		(1)	
Net revenue before taxation	99		311	
Taxation	0		0	
Net revenue after taxation		99		311
<b>Total return and change in net assets attributable to shareholders from investment activities</b>		<b>298</b>		<b>5,335</b>

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		153,698		100,071
Amounts receivable on issue of shares	21,527		41,399	
Amounts payable on cancellation of shares	(7,161)		(7,233)	
		14,366		34,166
Dilution adjustment*		31		67
Total return and change in net assets attributable to shareholders from investment activities (see above)		298		5,335
<b>Closing net assets attributable to shareholders</b>		<b>168,393</b>		<b>139,639</b>

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager V Fund

Financial Statements (Continued)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Balance Sheet</b>				
as at 31 December 2015 (unaudited)				
<b>Assets</b>				
Fixed assets:				
Investment assets		166,306		151,381
Current assets:				
Debtors	907		1,114	
Cash and bank balances	2		0	
Cash equivalents	1,435		2,786	
		2,344		3,900
Total assets		168,650		155,281
<b>Liabilities</b>				
Creditors	(257)		(1,344)	
Bank overdrafts	0		(239)	
Total liabilities		(257)		(1,583)
<b>Net assets attributable to shareholders</b>		<b>168,393</b>		<b>153,698</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager V Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (100.30%)</b>	<b>167,741</b>	<b>99.61</b>
<b>Absolute Return Fund (19.94%)</b>	<b>32,781</b>	<b>19.47</b>
43,127,064 SLI Global Absolute Return Strategies	32,781	19.47
<b>Bond Funds (3.50%)</b>	<b>8,316</b>	<b>4.94</b>
69,136 Neuberger Berman Emerging Markets Debt	565	0.34
59,776 Nomura US High Yield Bond	6,203	3.68
2,588,742 Threadneedle UK High Yield Bond	1,548	0.92
<b>Equity Funds (70.71%)</b>	<b>117,844</b>	<b>69.98</b>
9,160,633 Artemis European Opportunities	8,346	4.96
1,817,587 Artemis Income	6,326	3.76
8,643,950 Artemis US Select	10,432	6.19
5,048,622 BlackRock US Equity Tracker	8,487	5.04
1,308,839 CF Morant Wright Nippon Yield	3,956	2.35
1,348,001 Edinburgh Partners European Opportunities	2,490	1.48
1,452,113 Fidelity UK Smaller Companies	2,824	1.68
3,490,920 Invesco Perpetual Emerging Countries	5,391	3.20
5,408,489 Investec UK Alpha	9,363	5.56
10,464,461 JO Hambro UK Dynamic	11,071	6.57
2,551,005 L&G US Index	8,518	5.06
7,595,154 Majedie UK Equity	10,639	6.32
16,364 Mirabaud Equity Europe Ex UK Smaller Companies	1,773	1.05
385,664 Mirae Asset Asia Sector Equity Fund	2,499	1.48
220,054 River & Mercantile UK Equity Smaller Companies	3,428	2.04
5,551,045 Schroder Small Cap Discovery	3,705	2.20
10,698,911 Schroder Tokyo Trust	6,515	3.87
42,583 Vanguard US Equity Index	12,081	7.17
<b>Money Market Fund (1.81%)</b>	<b>1,435</b>	<b>0.85</b>
1,435,453 SLI Seabury GBP VNAV Liquidity Fund*	1,435	0.85

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager V Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Property Funds (4.34%)</b>	<b>7,365</b>	<b>4.37</b>
3,640,097 Henderson UK Property	4,602	2.73
2,154,387 M&G Property Portfolio	2,763	1.64
Total investment assets	167,741	99.61
Net other assets	652	0.39
<b>Total Net Assets</b>	<b>168,393</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	166,306
*Collective Investment Schemes classified as Cash Equivalents	1,435
Net investment assets	167,741
Net other assets	652
<b>Total Net Assets</b>	<b>168,393</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	14 December 2011

### Investment objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a high exposure to lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
SLI Corporate Bond	743
L&G Short Dated Corporate Bond	738
Ignis Corporate Bond	603
SLI Short Duration Credit	537
Other purchases	2,850
<b>Total purchases</b>	<b>5,471</b>

Sales	Proceeds £'000
Ignis Corporate Bond	744
Legal & General Short Dated Corporate Bond Index Income	503
Other sales	2,361
<b>Total sales</b>	<b>3,608</b>

### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	3	4	5	6	7
		<b>3</b>				

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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (13.10%)	13.44
Bond Funds (50.63%)	60.72
Equity Funds (13.51%)	11.89
Money Market Fund (16.61%)	7.14
Property Fund (5.16%)	6.68
Exchange Traded Bond Fund (3.23%)	-
Net other assets (-2.24%)	0.13

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Short Duration Credit	10.88
SLI Investment Grade Corporate Bond	9.78
SLI Corporate Bond	8.07
SLI Seabury GBP VNAV Liquidity Fund	7.14
L&G Short Dated Corporate Bond	7.02
SLI Absolute Return Global Bond Strategies SICAV	6.97
SLI UK Property Feeder	6.68
SLI Global Absolute Return Strategies	6.47
SLI Global High Yield Bond SICAV	5.62
Royal London Short Duration Gilts	5.08

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	2,972	53.27	5,579,747
	30 June 2014	3,583	55.32	6,476,525
	30 June 2015	4,423	56.93	7,769,177
	31 December 2015	5,367	56.90	9,434,096
Institutional accumulation	30 June 2013	1	53.57	1,189
	30 June 2014	705	56.13	1,256,638
	30 June 2015	1,800	58.19	3,092,442
	31 December 2015	1,257	58.37	2,153,481
Retail income	30 June 2013	874	51.46	1,699,178
	30 June 2014	234	52.32	446,814
	30 June 2015	116	52.61	220,154
	31 December 2015	55	52.05	104,871
Institutional income	30 June 2013	1	51.94	1,191
	30 June 2014	686	53.42	1,283,850
	30 June 2015	930	54.36	1,709,949
	31 December 2015	1,234	54.02	2,284,041
Standard Life income	30 June 2013	1	51.29	1,200
	30 June 2014	1	51.09	1,200
	30 June 2015	7	52.16	14,120
	31 December 2015	7	51.92	14,120
Platform 1 accumulation	30 June 2013	1	52.84	1,200
	30 June 2014	126	55.09	228,552
	30 June 2015	669	57.02	1,173,613
	31 December 2015	1,002	57.15	1,752,822
Platform 1 income	30 June 2013	263	51.41	512,976
	30 June 2014	995	52.62	1,891,227
	30 June 2015	1,091	53.42	2,042,533
	31 December 2015	1,361	53.03	2,566,393

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2011*	-	50.20	49.98
	2012	0.6707	53.21	50.14
	2013	0.6013	55.42	53.12
	2014	0.5016	57.11	54.53
	2015	0.4956	58.83	56.55
Institutional accumulation	2011*	-	50.07	49.89
	2012	0.8726	53.39	50.00
	2013	0.9888	55.69	53.31
	2014	0.9085	58.16	55.12
	2015	0.9410	60.04	57.91
Retail income	2011*	-	50.20	49.98
	2012	1.1344	52.26	50.14
	2013	1.0385	53.88	51.64
	2014	0.9705	53.54	52.19
	2015	0.9625	54.73	52.05
Institutional income	2011*	-	50.07	49.89
	2012	1.1679	52.49	50.00
	2013	0.5767	54.47	52.11
	2014	1.0128	55.05	53.02
	2015	1.0172	56.43	53.91
Standard Life income	2013***	0.9911	51.95	49.84
	2014	0.9342	52.74	50.65
	2015	0.9427	54.10	51.77
Platform 1 accumulation	2012**	0.5613	52.52	50.00
	2013	0.9627	54.77	52.44
	2014	0.8078	57.04	54.15
	2015	0.8248	58.84	56.72
Platform 1 income	2012**	0.7273	52.04	50.00
	2013	1.0219	53.79	51.59
	2014	1.0004	54.17	52.29
	2015	1.0004	55.49	52.94

\*from launch of the Fund on 14 December

\*\*from commencement of the share class on 26 April

\*\*\*from commencement of the share class on 18 January

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

### Comparative Tables

#### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.72%	1.72%
Institutional accumulation	0.80%	0.80%
Retail income	1.72%	1.72%
Institutional income	0.80%	0.80%
Standard Life income	0.57%	0.57%
Platform 1 accumulation	1.02%	1.02%
Platform 1 income	1.02%	1.02%

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 III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(45)		141
Revenue	106		71	
Expenses	(45)		(31)	
Interest and similar charges	(1)		0	
Net revenue before taxation	60		40	
Taxation	0		0	
Net revenue after taxation		60		40
<b>Total return before distributions</b>		15		181
Distributions		(76)		(48)
<b>Change in net assets attributable to shareholders from investment activities</b>		(61)		133

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		9,036		6,330
Amounts receivable on issue of shares	2,624		2,252	
Amounts payable on cancellation of shares	(1,361)		(1,846)	
		1,263		406
Dilution adjustment*		6		2
Change in net assets attributable to shareholders from investment activities (see above)		(61)		133
Retained distribution on accumulation shares		39		22
<b>Closing net assets attributable to shareholders</b>		10,283		6,893

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investment assets		9,536		7,736
Current assets:				
Debtors	565		431	
Cash and bank balances	0		18	
Cash equivalents	734		1,501	
		1,299		1,950
Total assets		10,835		9,686
<b>Liabilities</b>				
Creditors	(537)		(628)	
Bank overdrafts	(5)		0	
Distribution payable on income shares	(10)		(22)	
		(552)		(650)
Total liabilities		(552)		(650)
<b>Net assets attributable to shareholders</b>		10,283		9,036

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.01%)</b>	<b>10,270</b>	<b>99.87</b>
<b>Absolute Return Funds (13.10%)</b>	<b>1,382</b>	<b>13.44</b>
65,091 SLI Absolute Return Global Bond Strategies SICAV	717	6.97
875,230 SLI Global Absolute Return Strategies	665	6.47
<b>Bond Funds (50.63%)</b>	<b>6,244</b>	<b>60.72</b>
1,440,848 L&G Short Dated Corporate Bond	722	7.02
518,995 Royal London Short Duration Gilts	522	5.08
664,559 Short Duration Global Index-Linked Bond	326	3.17
841,692 SLI Corporate Bond	830	8.07
33,705 SLI Global Emerging Market Local Currency Debt SICAV	266	2.59
61,813 SLI Global High Yield Bond SICAV	578	5.62
278,171 SLI Global Index-Linked Bond	390	3.79
1,710,516 SLI Investment Grade Corporate Bond	1,006	9.78
2,163,293 SLI Short Duration Credit	1,119	10.88
1,090,817 SLI UK Gilt	485	4.72
<b>Equity Funds (13.51%)</b>	<b>1,223</b>	<b>11.89</b>
75,859 CF Morant Wright Nippon Yield	199	1.93
135,526 JPM US Equity Income	300	2.92
351,320 SLI European Equity Income	267	2.60
108,257 SLI UK Equity High Income	91	0.88
690,057 SLI UK Equity Income Unconstrained	366	3.56
<b>Money Market Fund (16.61%)</b>	<b>734</b>	<b>7.14</b>
734,315 SLI Seabury GBP VNAV Liquidity Fund*	734	7.14
<b>Property Fund (5.16%)</b>	<b>687</b>	<b>6.68</b>
1,029,777 SLI UK Property Feeder	687	6.68
<b>Exchange Traded Bond Fund (3.23%)</b>	<b>-</b>	<b>-</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
Total investment assets	10,270	99.87
Net other assets	13	0.13
<b>Total Net Assets</b>	<b>10,283</b>	<b>100.00</b>

All investments are listed on recognised stock exchanges and are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	9,536
*Collective Investment Schemes classified as Cash Equivalents	734
Net investment assets	10,270
Net other assets	13
<b>Total Net Assets</b>	<b>10,283</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

### Distribution Table

#### for the three months ended 30 September 2015

##### Interest distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Gross income 2015 pence per share	Income tax 2015 pence per share	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>						
Group 1	0.2047	0.0409	0.1638	-	0.1638*	0.1131
Group 2	0.0976	0.0195	0.0781	0.0857	0.1638*	0.1131
<b>Institutional accumulation</b>						
Group 1	0.3448	0.0689	0.2759	-	0.2759*	0.2204
Group 2	0.0632	0.0126	0.0506	0.2253	0.2759*	0.2204
<b>Retail income</b>						
Group 1	0.3517	0.0703	0.2814	-	0.2814**	0.2368
Group 2	0.1351	0.0270	0.1081	0.1733	0.2814**	0.2368
<b>Institutional income</b>						
Group 1	0.3640	0.0728	0.2912	-	0.2912**	0.2430
Group 2	0.2812	0.0562	0.2250	0.0662	0.2912**	0.2430
<b>Standard Life income</b>						
Group 1	0.3363	0.0672	0.2691	-	0.2691**	0.2262
Group 2	-	-	-	-	-	-
<b>Platform 1 accumulation</b>						
Group 1	0.3057	0.0611	0.2446	-	0.2446*	0.1905
Group 2	0.0660	0.0132	0.0528	0.1918	0.2446*	0.1905
<b>Platform 1 income</b>						
Group 1	0.3576	0.0715	0.2861	-	0.2861**	0.2392
Group 2	0.2530	0.0506	0.2024	0.0837	0.2861**	0.2392

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income I Fund

Distribution Table (Continued)

### for the three months ended 31 December 2015

#### Interest distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Gross income	Income tax	Net income	Equalisation	Distribution payable	Distribution paid
	2015	2015	2015	2015	2015	2014
	pence per share	pence per share	pence per share	pence per share	pence per share	pence per share
<b>Retail accumulation</b>						
Group 1	0.0835	0.0167	0.0668	-	0.0668*	0.0904
Group 2	0.0598	0.0119	0.0479	0.0189	0.0668*	0.0904
<b>Institutional accumulation</b>						
Group 1	0.2173	0.0434	0.1739	-	0.1739*	0.1975
Group 2	0.1058	0.0211	0.0847	0.0892	0.1739*	0.1975
<b>Retail income</b>						
Group 1	0.2292	0.0458	0.1834	-	0.1834**	0.2134
Group 2	0.1632	0.0326	0.1306	0.0528	0.1834**	0.2134
<b>Institutional income</b>						
Group 1	0.2462	0.0492	0.1970	-	0.1970**	0.2187
Group 2	0.1086	0.0217	0.0869	0.1101	0.1970**	0.2187
<b>Standard Life income</b>						
Group 1	0.2238	0.0447	0.1791	-	0.1791**	0.2040
Group 2	-	-	-	-	-	-
<b>Platform 1 accumulation</b>						
Group 1	0.1830	0.0366	0.1464	-	0.1464*	0.1686
Group 2	0.0357	0.0071	0.0286	0.1178	0.1464*	0.1686
<b>Platform 1 income</b>						
Group 1	0.2417	0.0483	0.1934	-	0.1934**	0.2166
Group 2	0.0283	0.0056	0.0227	0.1707	0.1934**	0.2166

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	14 December 2011

### Investment objective

The Fund aims to provide an income-focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference towards lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
Ignis Corporate Bond	2,100
L&G Short Dated Corporate Bond	1,824
Other purchases	11,969
<b>Total purchases</b>	<b>15,893</b>

Sales	Proceeds £'000
Ignis Corporate Bond	2,104
Other sales	8,912
<b>Total sales</b>	<b>11,016</b>

### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards				Higher risk Typically Higher rewards		
1	2	3	4	5	6	7
		<b>3</b>				

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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (14.84%)	15.35
Bond Funds (43.61%)	44.39
Equity Funds (28.98%)	26.72
Money Market Fund (2.98%)	3.18
Property Fund (8.35%)	10.10
Exchange Traded Bond Fund (1.36%)	-
Net other assets (-0.12%)	0.26

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI UK Equity Income Unconstrained	10.93
SLI Global Absolute Return Strategies	10.82
SLI Short Duration Credit	10.55
SLI UK Property Feeder	10.10
SLI Investment Grade Corporate Bond	8.85
SLI Corporate Bond	5.85
SLI Global High Yield Bond SICAV	5.58
SLI Absolute Return Global Bond Strategies SICAV	4.53
SLI Global Emerging Market Local Currency Debt SICAV	4.46
L&G Short Dated Corporate Bond Index	4.46



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	10,655	55.86	19,074,365
	30 June 2014	16,064	59.07	27,195,559
	30 June 2015	20,010	61.82	32,369,190
	31 December 2015	21,832	62.06	35,178,785
Institutional accumulation	30 June 2013	1	56.15	1,184
	30 June 2014	2,215	60.00	3,692,513
	30 June 2015	3,604	63.25	5,698,119
	31 December 2015	3,530	63.74	5,539,098
Retail income	30 June 2013	4,131	53.46	7,726,368
	30 June 2014	1,564	55.02	2,842,000
	30 June 2015	969	56.19	1,725,103
	31 December 2015	465	55.66	835,379
Institutional income	30 June 2013	1	53.80	1,187
	30 June 2014	4,874	56.19	8,674,136
	30 June 2015	6,368	57.84	11,010,975
	31 December 2015	7,321	57.62	12,705,458
Standard Life income	30 June 2013	10	50.32	21,006
	30 June 2014	18	52.31	33,712
	30 June 2015	15	53.96	27,001
	31 December 2015	15	53.83	27,737
Platform 1 accumulation	30 June 2013	629	54.47	1,155,343
	30 June 2014	1,023	57.92	1,765,739
	30 June 2015	2,349	60.95	3,853,590
	31 December 2015	4,111	61.36	6,699,472
Platform 1 income	30 June 2013	323	52.72	612,944
	30 June 2014	1,423	54.68	2,603,253
	30 June 2015	2,709	56.18	4,820,930
	31 December 2015	3,839	55.92	6,865,583

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011*	-	50.20	49.97
	2012	0.8902	53.21	50.14
	2013	0.9325	58.90	54.77
	2014	0.8600	61.94	57.87
	2015	0.9121	64.02	60.98
Institutional accumulation	2011*	-	50.07	49.89
	2012	1.1996	53.39	50.00
	2013	1.1485	59.28	53.43
	2014	1.3148	63.15	58.61
	2015	1.3993	65.41	62.47
Retail income	2011*	-	50.20	49.98
	2012	1.3311	52.26	50.14
	2013	1.4547	56.88	53.25
	2014	1.3623	57.38	54.76
	2015	1.4988	58.66	55.37
Institutional income	2011*	-	50.07	49.89
	2012	1.5258	52.49	50.00
	2013	1.1947	57.32	53.43
	2014	1.3756	58.83	55.63
	2015	1.4509	60.25	57.11
Standard Life income	2013***	1.2424	53.39	50.00
	2014	1.2733	54.79	51.83
	2015	1.3020	56.15	53.31
Platform 1 accumulation	2012**	0.7600	52.52	50.00
	2013	1.2783	57.39	53.25
	2014	1.1517	60.90	56.62
	2015	1.2483	63.05	60.18
Platform 1 income	2012**	0.8020	52.04	50.00
	2013	1.6959	56.00	52.51
	2014	1.3419	57.20	54.18
	2015	1.4205	58.56	55.45

\*from launch of the Fund on 14 December

\*\*from commencement of the share class on 26 January

\*\*\*from commencement of the share class on 18 April

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

Comparative Tables (Continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.81%	1.81%
Institutional accumulation	0.89%	0.89%
Retail income	0.81%	0.81%
Institutional income	0.89%	0.89%
Standard Life income	0.66%	0.66%
Platform 1 accumulation	1.11%	1.11%
Platform 1 income	1.11%	1.11%

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 III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(94)		974
Revenue	486		349	
Expenses	(180)		(139)	
Interest and similar charges	(6)		(3)	
Net revenue before taxation	300		207	
Taxation	(36)		(20)	
Net revenue after taxation		264		187
<b>Total return before distributions</b>		170		1,161
Distributions		(321)		(225)
<b>Change in net assets attributable to shareholders from investment activities</b>		(151)		936

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		36,024		27,181
Amounts receivable on issue of shares	8,525		6,045	
Amounts payable on cancellation of shares	(3,522)		(3,173)	
		5,003		2,872
Dilution adjustment*		35		18
Change in net assets attributable to shareholders from investment activities (see above)		(151)		936
Retained distribution on accumulation shares		202		138
<b>Closing net assets attributable to shareholders</b>		41,113		31,145

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		39,697		34,996
Current assets:				
Debtors	361		878	
Cash and bank balances	0		1	
Cash equivalents	1,308		1,073	
		1,669		1,952
Total assets		41,366		36,948
<b>Liabilities</b>				
Creditors	(122)		(788)	
Bank overdrafts	(70)		0	
Distribution payable on income shares	(61)		(136)	
		(253)		(924)
Total liabilities		(253)		(924)
<b>Net assets attributable to shareholders</b>		<b>41,113</b>		<b>36,024</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (98.76%)</b>	<b>41,005</b>	<b>99.74</b>
<b>Absolute Return Funds (14.84%)</b>	<b>6,313</b>	<b>15.35</b>
169,201 SLI Absolute Return Global Bond Strategies SICAV	1,863	4.53
5,854,441 SLI Global Absolute Return Strategies	4,450	10.82
<b>Bond Funds (43.61%)</b>	<b>18,249</b>	<b>44.39</b>
3,654,356 L&G Short Dated Corporate Bond Index	1,832	4.46
2,442,035 SLI Corporate Bond	2,407	5.85
231,923 SLI Global Emerging Market Local Currency Debt SICAV	1,832	4.46
245,085 SLI Global High Yield Bond SICAV	2,293	5.58
669,242 SLI Global Index-Linked Bond	938	2.28
6,187,725 SLI Investment Grade Corporate Bond	3,640	8.85
8,381,551 SLI Short Duration Credit	4,336	10.55
1,982,101 Short Duration Global Index-Linked Bond	971	2.36
<b>Equity Funds (28.98%)</b>	<b>10,984</b>	<b>26.72</b>
431,076 CF Morant Wright Nippon Yield	1,133	2.75
351,776 Columbia Threadneedle US Equity Income	562	1.37
807,219 JPM US Equity Income	1,700	4.14
2,030,558 SLI European Equity Income	1,541	3.75
1,842,122 SLI UK Equity High Income	1,554	3.78
8,483,027 SLI UK Equity Income Unconstrained	4,494	10.93
<b>Money Market Fund (2.98%)</b>	<b>1,308</b>	<b>3.18</b>
1,307,551 SLI Seabury GBP VNAV Liquidity Fund	1,308	3.18
<b>Property Fund (8.35%)</b>	<b>4,151</b>	<b>10.10</b>
6,220,543 SLI UK Property Feeder	4,151	10.10
<b>Exchange Traded Bond Fund (1.36%)</b>	-	-
<b>Bond Fund (1.36%)</b>	-	-

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
Total investment assets	41,005	99.74
Net other assets	108	0.26
<b>Total Net Assets</b>	<b>41,113</b>	<b>100.00</b>

All investments are approved regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	39,697
*Collective Investment Schemes classified as Cash Equivalents	1,308
Net investment assets	41,005
Net other assets	108
<b>Total Net Assets</b>	<b>41,113</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2307	-	0.2307*	0.1744
Group 2	0.1535	0.0772	0.2307*	0.1744
<b>Institutional accumulation</b>				
Group 1	0.3543	-	0.3543*	0.2894
Group 2	0.2355	0.1188	0.3543*	0.2894
<b>Retail income</b>				
Group 1	0.3517	-	0.3517**	0.3016
Group 2	0.1138	0.2379	0.3517**	0.3016
<b>Institutional income</b>				
Group 1	0.3615	-	0.3615**	0.3072
Group 2	0.2185	0.1430	0.3615**	0.3072
<b>Standard Life income</b>				
Group 1	0.3275	-	0.3275**	0.2825
Group 2	0.1969	0.1306	0.3275**	0.2825
<b>Platform 1 accumulation</b>				
Group 1	0.3124	-	0.3124*	0.2518
Group 2	0.1037	0.2087	0.3124*	0.2518
<b>Platform 1 income</b>				
Group 1	0.3512	-	0.3512**	0.2979
Group 2	0.2141	0.1371	0.3512**	0.2979

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

Distribution Tables (Continued)

for the three months ended 31 December 2015

### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.1496	-	0.1496*	0.1792
Group 2	0.0446	0.1050	0.1496*	0.1792
<b>Institutional accumulation</b>				
Group 1	0.2686	-	0.2686*	0.2960
Group 2	0.1021	0.1665	0.2686*	0.2960
<b>Retail income</b>				
Group 1	0.3743	-	0.3743**	0.3033
Group 2	0.1843	0.1900	0.3743**	0.3033
<b>Institutional income</b>				
Group 1	0.2958	-	0.2958**	0.3097
Group 2	0.1265	0.1693	0.2958**	0.3097
<b>Standard Life income</b>				
Group 1	0.2542	-	0.2542**	0.2812
Group 2	0.1126	0.1416	0.2542**	0.2812
<b>Platform 1 accumulation</b>				
Group 1	0.2382	-	0.2382*	0.2587
Group 2	0.0515	0.1867	0.2382*	0.2587
<b>Platform 1 income</b>				
Group 1	0.2983	-	0.2983**	0.3018
Group 2	0.1042	0.1941	0.2983**	0.3018

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income II Fund

Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution tables as follows:

	<b>1st Interim Dividend Distribution</b>	<b>2nd Interim Dividend Distribution</b>
Treat as a UK corporate dividend	63.40%	52.60%
Treat as unfranked investment income*	36.60%	47.40%

\*After deduction of income tax at the lower rate. This amount is liable to corporation tax.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	14 December 2011

### Investment objective

The Fund aims to provide an income focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £14,192,000 and the total proceeds from sales were £8,166,000.

### Synthetic Risk & Reward Indicator

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

1	2	3	<b>4</b>	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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (17.81%)	17.99
Bond Funds (29.51%)	30.26
Equity Funds (40.49%)	39.85
Money Market Fund (1.95%)	3.04
Property Fund (10.63%)	8.91
Net other liabilities (-0.39%)	(0.05)

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	14.96
SLI UK Equity Income Unconstrained	13.13
SLI UK Property	8.91
SLI Global High Yield Bond SICAV	7.83
SLI UK Equity High Income	7.16
JPM US Equity Income	6.99
SLI Short Duration Credit	6.64
SLI Global Emerging Market Local Currency Debt SICAV	6.23
SLI Investment Grade Corporate Bond	6.17
SLI European Equity Income	4.44

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	9,202	57.53	15,993,948
	30 June 2014	18,040	61.47	29,349,018
	30 June 2015	26,792	64.90	41,283,272
	31 December 2015	29,550	65.34	45,221,853
Institutional accumulation	30 June 2013	1	57.99	1,181
	30 June 2014	3,504	62.42	5,614,006
	30 June 2015	5,479	66.39	8,252,359
	31 December 2015	5,881	67.10	8,763,770
Retail income	30 June 2013	3,446	54.52	6,320,206
	30 June 2014	891	56.42	1,578,494
	30 June 2015	639	57.91	1,104,226
	31 December 2015	315	57.49	547,147
Institutional income	30 June 2013	1	54.86	1,186
	30 June 2014	5,860	57.60	10,173,759
	30 June 2015	10,553	59.60	17,705,023
	31 December 2015	11,258	59.52	18,916,192
Standard Life income	30 June 2013	5	50.59	9,722
	30 June 2014	40	53.04	75,644
	30 June 2015	72	55.02	131,249
	31 December 2015	85	55.03	154,858
Platform 1 accumulation	30 June 2013	589	55.11	1,068,537
	30 June 2014	1,740	59.21	2,938,016
	30 June 2015	3,523	62.87	5,603,673
	31 December 2015	5,632	63.48	8,872,171
Platform 1 income	30 June 2013	283	53.08	534,334
	30 June 2014	1,282	55.44	2,311,803
	30 June 2015	3,057	57.26	5,338,514
	31 December 2015	4,217	57.12	7,382,558

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011*	-	50.39	49.96
	2012	1.3199	55.75	50.41
	2013	1.2515	61.31	55.98
	2014	1.0536	64.97	60.00
	2015	1.1670	68.28	62.82
Institutional accumulation	2011*	-	50.27	49.87
	2012	1.8231	55.98	50.28
	2013	1.6871	61.71	56.21
	2014	1.5344	66.19	60.75
	2015	1.6788	69.75	64.33
Retail income	2011*	-	50.39	49.96
	2012	1.9828	54.15	50.42
	2013	1.7957	58.69	54.02
	2014	1.5520	59.26	56.12
	2015	1.7373	61.44	56.09
Institutional income	2011*	-	50.27	49.87
	2012	2.2427	54.36	50.28
	2013	1.5455	59.11	54.18
	2014	1.5644	60.72	56.92
	2015	1.6912	63.12	57.79
Standard Life income	2013***	1.5132	54.32	50.00
	2014	1.4052	55.97	52.35
	2015	1.5025	58.23	53.36
Platform 1 accumulation	2012**	0.9147	53.25	48.96
	2013	1.5660	58.70	53.47
	2014	1.3397	62.73	57.67
	2015	1.4836	66.07	60.90
Platform 1 income	2012**	1.2644	52.48	48.96
	2013	2.1187	57.18	52.59
	2014	1.5063	58.40	54.83
	2015	1.6361	60.66	55.51

\*from launch of the Fund on 14 December  
\*\*from commencement of the share class on 4 May  
\*\*\*from commencement of the share class on 18 January

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

Comparative Tables (Continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.90%	1.90%
Institutional accumulation	0.97%	0.97%
Retail income	1.90%	1.90%
Institutional income	0.97%	0.97%
Standard Life income	0.75%	0.75%
Platform 1 accumulation	1.20%	1.20%
Platform 1 income	1.20%	1.20%

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 III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		32		1,224
Revenue	663		460	
Expenses	(239)		(162)	
Interest and similar charges	(9)		(4)	
Net revenue before taxation	415		294	
Taxation	(40)		(28)	
Net revenue after taxation		375		266
<b>Total return before distributions</b>		407		1,490
Distributions		(469)		(306)
<b>Change in net assets attributable to shareholders from investment activities</b>		(62)		1,184

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		50,115		31,357
Amounts receivable on issue of shares	10,479		8,412	
Amounts payable on cancellation of shares	(3,942)		(2,276)	
		6,537		6,136
Dilution adjustment*		50		49
Change in net assets attributable to shareholders from investment activities (see above)		(62)		1,184
Retained distribution on accumulation shares		298		198
<b>Closing net assets attributable to shareholders</b>		56,938		38,924

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		55,236		49,332
Current assets:				
Debtors	314		703	
Cash equivalents	1,730		978	
		2,044		1,681
Total assets		57,280		51,013
<b>Liabilities</b>				
Creditors	(131)		(652)	
Bank overdrafts	(129)		(21)	
Distribution payable on income shares	(82)		(225)	
		(342)		(898)
Total liabilities		(342)		(898)
<b>Net assets attributable to shareholders</b>		56,938		50,115

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (100.39%)</b>	<b>56,966</b>	<b>100.05</b>
<b>Absolute Return Funds (17.81%)</b>	<b>10,244</b>	<b>17.99</b>
156,680 SLI Absolute Return Global Bond Strategies SICAV	1,725	3.03
11,207,883 SLI Global Absolute Return Strategies	8,519	14.96
<b>Bond Funds (29.51%)</b>	<b>17,230</b>	<b>30.26</b>
1,530,166 L&G Short Dated Corporate Bond	767	1.35
1,180,601 SLI Corporate Bond	1,164	2.04
449,260 SLI Global Emerging Market Local Currency Debt SICAV	3,548	6.23
476,354 SLI Global High Yield Bond SICAV	4,457	7.83
5,971,702 SLI Investment Grade Corporate Bond	3,513	6.17
7,308,611 SLI Short Duration Credit	3,781	6.64
<b>Equity Funds (40.49%)</b>	<b>22,689</b>	<b>39.85</b>
871,161 CF Morant Wright Nippon Yield	2,289	4.02
988,971 Columbia Threadneedle US Equity Income	1,582	2.78
1,891,433 JPM US Equity Income	3,983	6.99
3,329,662 SLI European Equity Income	2,526	4.44
1,687,544 SLI Global Emerging Markets Equity Income	755	1.33
4,831,994 SLI UK Equity High Income	4,077	7.16
14,113,248 SLI UK Equity Income Unconstrained	7,477	13.13
<b>Money Market Fund (1.95%)</b>	<b>1,730</b>	<b>3.04</b>
1,730,371 SLI Seabury GBP VNAV Liquidity Fund*	1,730	3.04
<b>Property Fund (10.63%)</b>	<b>5,073</b>	<b>8.91</b>
7,618,225 SLI UK Property	5,073	8.91
Total investment assets	56,966	100.05
Net other liabilities	(28)	(0.05)
<b>Total Net Assets</b>	<b>56,938</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

Portfolio Statement (Continued)

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	55,236
*Collective Investment Schemes classified as Cash Equivalents	1,730
Net investment assets	56,966
Net other liabilities	(28)
<b>Total Net Assets</b>	<b>56,938</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2714	-	0.2714*	0.2206
Group 2	0.1833	0.0881	0.2714*	0.2206
<b>Institutional accumulation</b>				
Group 1	0.4014	-	0.4014*	0.3423
Group 2	0.1629	0.2385	0.4014*	0.3423
<b>Retail income</b>				
Group 1	0.3995	-	0.3995**	0.3895
Group 2	0.1044	0.2951	0.3995**	0.3895
<b>Institutional income</b>				
Group 1	0.4069	-	0.4069**	0.3602
Group 2	0.2376	0.1693	0.4069**	0.3602
<b>Standard Life income</b>				
Group 1	0.3659	-	0.3659**	0.3154
Group 2	0.1084	0.2575	0.3659**	0.3154
<b>Platform 1 accumulation</b>				
Group 1	0.3515	-	0.3515*	0.2973
Group 2	0.1607	0.1908	0.3515*	0.2973
<b>Platform 1 income</b>				
Group 1	0.3904	-	0.3904**	0.3506
Group 2	0.2377	0.1527	0.3904**	0.3506

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

Distribution Tables (Continued)

### for the three months ended 31 December 2015

#### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.1597	-	0.1597*	0.2056
Group 2	0.0426	0.1171	0.1597*	0.2056
<b>Institutional accumulation</b>				
Group 1	0.2876	-	0.2876*	0.3290
Group 2	0.1129	0.1747	0.2876*	0.3290
<b>Retail income</b>				
Group 1	0.3783	-	0.3783**	0.2867
Group 2	0.3635	0.0148	0.3783**	0.2867
<b>Institutional income</b>				
Group 1	0.3009	-	0.3009**	0.3279
Group 2	0.1196	0.1813	0.3009**	0.3279
<b>Standard Life income</b>				
Group 1	0.2537	-	0.2537**	0.3017
Group 2	0.1076	0.1461	0.2537**	0.3017
<b>Platform 1 accumulation</b>				
Group 1	0.2447	-	0.2447*	0.2828
Group 2	0.0332	0.2115	0.2447*	0.2828
<b>Platform 1 income</b>				
Group 1	0.2996	-	0.2996**	0.3123
Group 2	0.0846	0.2150	0.2996**	0.3123

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income III Fund

Treatment by Corporate Shareholders

Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution tables as follows:

	1st Interim Dividend Distribution	2nd Interim Dividend Distribution
Treat as a UK corporate dividend	65.40%	83.56%
Treat as unfranked investment income*	34.60%	16.44%

\*After deduction of income tax at the lower rate. This amount is liable to corporation tax.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambri
Launch Date	14 December 2011

### Investment objective

The Fund aims to provide an income focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference to those assets providing potential for growth, such as equities.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) purchases made to the portfolio in the period to 31 December 2015.

Purchases	Cost £'000
SLI Global High Yield Bond SICAV	1,156
SLI Global Absolute Return Strategies	966
SLI UK Equity High Income	932
Threadneedle US Equity Income	890
Other purchases	4,579
<b>Total purchases</b>	<b>8,523</b>

During the period the Fund had total sales proceeds of £3,402,000.

### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	3	<b>4</b>	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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (19.72%)	18.58
Bond Funds (16.70%)	21.95
Equity Funds (50.82%)	47.14
Money Market Fund(S) (1.15%)	1.76
Property Funds (12.15%)	10.36
Net other assets (-0.54%)	0.21

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	17.41
SLI UK Equity Income Unconstrained	15.54
SLI UK Property	10.36
SLI Global High Yield Bond SICAV	10.05
SLI UK Equity High Income	8.23
JPM US Equity Income	7.45
SLI Global Emerging Market Local Currency Debt SICAV	7.43
SLI European Equity Income	5.17
Columbia Threadneedle US Equity	4.45
CF Morant Wright Nippon Yield	4.05



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	3,130	58.83	5,321,233
	30 June 2014	5,647	63.46	8,898,276
	30 June 2015	7,838	67.63	11,588,502
	31 December 2015	10,976	68.06	16,125,073
Institutional accumulation	30 June 2013	1	59.06	1,181
	30 June 2014	700	64.19	1,090,187
	30 June 2015	985	68.92	1,429,742
	31 December 2015	1,701	69.62	2,443,496
Retail income	30 June 2013	1,070	55.43	1,930,284
	30 June 2014	346	58.07	595,849
	30 June 2015	370	60.02	616,183
	31 December 2015	375	59.64	629,290
Institutional income	30 June 2013	1	55.99	1,186
	30 June 2014	2,725	59.08	4,612,033
	30 June 2015	2,955	61.62	4,794,606
	31 December 2015	3,211	61.52	5,219,728
Standard Life income	30 June 2013	1	51.01	1,200
	30 June 2014	26	53.90	48,639
	30 June 2015	48	56.37	85,689
	31 December 2015	46	56.36	81,053
Platform 1 accumulation	30 June 2013	97	55.70	174,368
	30 June 2014	897	60.42	1,485,218
	30 June 2015	2,119	64.75	3,272,450
	31 December 2015	2,814	65.35	4,306,563
Platform 1 income	30 June 2013	12	53.43	22,027
	30 June 2014	857	56.22	1,524,898
	30 June 2015	1,441	58.55	2,461,383
	31 December 2015	2,042	58.39	3,498,052

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2011*	-	50.44	49.95
	2012	1.5808	56.21	50.51
	2013	1.4199	63.12	56.60
	2014	1.1241	67.54	61.70
	2015	1.2893	71.40	65.41
Institutional accumulation	2011*	-	50.32	49.86
	2012	1.9965	56.20	50.37
	2013	1.6353	63.45	56.59
	2014	1.6275	68.55	62.23
	2015	1.7992	72.65	66.73
Retail income	2011*	-	50.45	49.95
	2012	1.9505	54.81	50.51
	2013	1.9606	60.13	54.35
	2014	1.6175	61.34	57.30
	2015	1.8040	63.92	58.10
Institutional income	2011*	-	50.32	49.86
	2012	2.1569	54.70	50.37
	2013	1.6826	60.75	54.71
	2014	1.6674	62.72	58.16
	2015	1.7948	65.53	59.72
Standard Life income	2013**	1.6148	55.20	50.00
	2014	1.4761	57.28	53.03
	2015	1.5815	59.89	54.63
Platform 1 accumulation	2012***	0.9791	53.10	48.56
	2013	1.7073	59.77	53.46
	2014	1.4591	64.46	58.62
	2015	1.5649	68.28	62.67
Platform 1 income	2012***	1.1134	52.36	48.56
	2013	1.9030	57.91	52.23
	2014	1.5762	59.64	55.41
	2015	1.7378	62.27	56.71

\* from launch of the Fund on 14 December

\*\* from commencement of the share class on 18 January

\*\*\* from commencement of the share class on 4 May

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

Comparative Tables (Continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.01%	2.01%
Institutional accumulation	1.08%	1.08%
Retail income	2.01%	2.01%
Institutional income	1.08%	1.08%
Standard Life income	0.86%	0.86%
Platform 1 accumulation	1.31%	1.31%
Platform 1 income	1.31%	1.31%

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 III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		23		523
Revenue	222		157	
Expenses	(86)		(61)	
Interest and similar charges	(3)		(1)	
Net revenue before taxation	133		95	
Taxation	(9)		(5)	
Net revenue after taxation		124		90
<b>Total return before distributions</b>		147		613
Distributions		(154)		(116)
<b>Change in net assets attributable to shareholders from investment activities</b>		(7)		497

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		15,756		11,198
Amounts receivable on issue of shares	6,982		3,253	
Amounts payable on cancellation of shares	(1,712)		(974)	
		5,270		2,279
Dilution adjustment*		43		20
Change in net assets attributable to shareholders from investment activities (see above)		(7)		497
Retained distribution on accumulation shares		103		68
<b>Closing net assets attributable to shareholders</b>		21,165		14,062

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

Financial Statements (Continued)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Balance Sheet</b>				
as at 31 December 2015 (unaudited)				
<b>Assets</b>				
Investment assets		20,749		15,660
Current assets:				
Debtors	161		164	
Cash and bank balances	0		27	
Cash equivalents	372		181	
		533		372
Total assets		21,282		16,032
<b>Liabilities</b>				
Creditors	(49)		(192)	
Bank overdrafts	(40)		0	
Balances due to futures clearing houses	0		(84)	
Distribution payable on income shares	(28)		0	
		(117)		(276)
Total liabilities		(117)		(276)
<b>Net assets attributable to shareholders</b>		<b>21,165</b>		<b>15,756</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (100.54%)</b>	<b>21,121</b>	<b>99.79</b>
<b>Absolute Return Funds (19.72%)</b>	<b>3,933</b>	<b>18.58</b>
22,557 SLI Absolute Return Global Bond Strategies SICAV	248	1.17
4,848,177 SLI Global Absolute Return Strategies	3,685	17.41
<b>Bond Funds (16.70%)</b>	<b>4,643</b>	<b>21.95</b>
179,337 SLI Corporate Bond	177	0.84
199,031 SLI Global Emerging Market Local Currency Debt SICAV	1,572	7.43
227,348 SLI Global High Yield Bond SICAV	2,127	10.05
300,162 SLI Investment Grade Corporate Bond	177	0.84
1,140,880 SLI Short Duration Credit	590	2.79
<b>Equity Funds (50.82%)</b>	<b>9,980</b>	<b>47.14</b>
326,656 CF Morant Wright Nippon Yield	858	4.05
588,356 Columbia Threadneedle US Equity	941	4.45
749,329 JPM US Equity Income	1,578	7.45
1,441,836 SLI European Equity Income	1,094	5.17
1,065,182 SLI Global Emerging Markets Equity Income	476	2.25
2,065,316 SLI UK Equity High Income	1,743	8.23
6,210,392 SLI UK Equity Income Unconstrained	3,290	15.54
<b>Property Fund (12.15%)</b>	<b>2,193</b>	<b>10.36</b>
3,293,499 SLI UK Property	2,193	10.36
<b>Money Market Fund (1.15%)</b>	<b>372</b>	<b>1.76</b>
372 SLI Seabury GBP VNAV Liquidity Fund*	372	1.76
Total investment assets	21,121	99.79
Net other assets	44	0.21
<b>Total Net Assets</b>	<b>21,165</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

Portfolio Statement (Continued)

Market  
value  
£'000

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### Reconciliation of assets and liabilities to the balance sheet

Investment assets as per the Balance Sheet	20,749
*Collective Investment Schemes classified as Cash Equivalents	372
Net investment assets	21,121
Net other assets	44
<b>Total Net Assets</b>	<b>21,165</b>

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# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2718	-	0.2718*	0.2277
Group 2	0.1811	0.0907	0.2718*	0.2277
<b>Institutional accumulation</b>				
Group 1	0.4259	-	0.4259*	0.3642
Group 2	0.0590	0.3669	0.4259*	0.3642
<b>Retail income</b>				
Group 1	0.4122	-	0.4122**	0.3659
Group 2	0.2019	0.2103	0.4122**	0.3659
<b>Institutional income</b>				
Group 1	0.4233	-	0.4233**	0.3724
Group 2	0.0862	0.3371	0.4233**	0.3724
<b>Standard Life income</b>				
Group 1	0.3798	-	0.3798**	0.3309
Group 2	0.0000	0.3798	0.3798**	0.3309
<b>Platform 1 accumulation</b>				
Group 1	0.3750	-	0.3750*	0.3120
Group 2	0.1002	0.2748	0.3750*	0.3120
<b>Platform 1 income</b>				
Group 1	0.4012	-	0.4012**	0.3531
Group 2	0.2103	0.1909	0.4012**	0.3531

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

Distribution Tables (Continued)

### for the three months ended 31 December 2015

#### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.1621	-	0.1621*	0.2109
Group 2	0.0896	0.0725	0.1621*	0.2109
<b>Institutional accumulation</b>				
Group 1	0.2747	-	0.2747*	0.3493
Group 2	0.0981	0.1766	0.2747*	0.3493
<b>Retail income</b>				
Group 1	0.3402	-	0.3402**	0.3470
Group 2	0.1704	0.1698	0.3402**	0.3470
<b>Institutional income</b>				
Group 1	0.2943	-	0.2943**	0.3552
Group 2	0.2119	0.0824	0.2943**	0.3552
<b>Standard Life income</b>				
Group 1	0.2419	-	0.2419**	0.3160
Group 2	0.0925	0.1494	0.2419**	0.3160
<b>Platform 1 accumulation</b>				
Group 1	0.2248	-	0.2248*	0.2995
Group 2	0.0836	0.1412	0.2248*	0.2995
<b>Platform 1 income</b>				
Group 1	0.2905	-	0.2905**	0.3376
Group 2	0.0628	0.2277	0.2905**	0.3376

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income IV Fund

Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution tables as follows:

	<b>1st Interim Dividend Distribution</b>	<b>2nd Interim Dividend Distribution</b>
Treat as a UK corporate dividend	75.05%	99.79%
Treat as unfranked investment income*	24.95%	0.21%

\*After deduction of income tax at the lower rate. This amount is liable to corporation tax.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

### Investment Report

#### Fund Information

<b>Fund Manager</b>	Bambos Hambi
<b>Launch Date</b>	14 December 2011

#### Investment objective

The Fund aims to provide an income focused return with some capital appreciation over the longer term.

#### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes managed or operated within the Standard Life group of companies to achieve exposure to diversified investments of primarily equities, but which may include fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have high exposure to assets providing potential for growth, such as equities.

#### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

#### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
Threadneedle US Equity Income	620
SLI Global Absolute Return Strategies	577
CF Morant Wright Nippon Yield	392
JPM US Equity Income	381
SLI UK Equity Income Unconstrained	376
Other purchases	1,152
<b>Total purchases</b>	<b>3,498</b>

Sales	Proceeds £'000
Cullen North American High Yield Dividend	448
Schroder Asian Trust	344
SLI Global Absolute Return Strategies	343
Other sales	980
<b>Total sales</b>	<b>2,115</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

Investment Report (Continued)

### Synthetic Risk & Reward Indicator

Lower risk  
Typically lower rewards

Higher risk  
Typically Higher rewards

1	2	3	<b>4</b>	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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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	%
<b>31 December 2015</b>	
Absolute Return Fund (20.30%)	19.31
Bond Funds (8.96%)	8.78
Equity Funds (65.60%)	66.36
Money Market Fund (0.88%)	0.79
Property Fund (4.23%)	4.12
Net other assets (0.03%)	0.64

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
<b>31 December 2015</b>	
SLI Global Absolute Return Strategies	19.31
SLI UK Equity Income Unconstrained	17.06
JPM US Equity Income	12.78
SLI UK Equity High Income	9.12
Threadneedle US Equity Income	8.48
SLI European Equity Income	7.33
CF Morant Wright Nippon Yield	6.06
SLI Global Emerging Markets Equity Income	4.63
SLI Global High Yield Bond SICAV	4.51
SLI Global Emerging Market Local Currency Debt SICAV	4.27

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	981	60.23	1,629,831
	30 June 2014	1,866	64.60	2,888,343
	30 June 2015	3,267	69.13	4,726,270
	31 December 2015	4,252	70.17	6,059,305
Institutional accumulation	30 June 2013	1	60.81	1,181
	30 June 2014	203	65.14	311,149
	30 June 2015	312	70.22	444,914
	31 December 2015	299	71.55	417,413
Retail income	30 June 2013	99	56.46	175,104
	30 June 2014	46	58.74	78,178
	30 June 2015	49	61.08	80,313
	31 December 2015	13	60.99	21,210
Institutional income	30 June 2013	1	57.28	1,186
	30 June 2014	364	60.04	606,227
	30 June 2015	522	62.90	829,416
	31 December 2015	606	63.26	957,522
Standard Life income	30 June 2013	1	51.74	1,463
	30 June 2014	4	54.37	8,484
	30 June 2015	7	57.10	12,136
	31 December 2015	5	57.48	8,323
Platform 1 accumulation	30 June 2013	170	56.29	303,131
	30 June 2014	737	60.71	1,213,622
	30 June 2015	1,042	65.33	1,594,605
	31 December 2015	1,487	66.50	2,236,336
Platform 1 income	30 June 2013	2	55.01	3,552
	30 June 2014	374	57.63	648,651
	30 June 2015	684	60.26	1,135,363
	31 December 2015	695	60.54	1,149,025

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2011*	-	50.54	49.93
	2012	1.5371	56.31	50.61
	2013	1.4063	64.70	56.57
	2014	1.1314	68.86	62.49
	2015	1.2984	73.46	65.56
Institutional accumulation	2011*	-	50.42	49.84
	2012	1.9980	56.42	50.47
	2013	1.6478	64.76	56.68
	2014	1.6932	69.66	62.82
	2015	1.8380	74.51	66.67
Retail income	2011*	-	50.55	49.93
	2012	1.9522	54.67	50.59
	2013	1.7987	61.36	54.02
	2014	1.6792	62.22	57.68
	2015	1.8766	65.53	57.98
Institutional income	2011*	-	50.43	49.84
	2012	2.3609	54.76	50.47
	2013	1.7991	62.19	54.72
	2014	1.7041	63.79	58.83
	2015	1.8599	67.36	59.76
Standard Life income	2013***	1.5985	56.07	50.00
	2014	1.5006	57.84	53.19
	2015	1.6229	61.12	54.27
Platform 1 accumulation	2012**	0.9287	52.65	47.99
	2013	1.4507	60.44	52.89
	2014	1.3735	64.87	58.59
	2015	1.6124	69.35	62.00
Platform 1 income	2012**	1.0452	52.47	47.99
	2013	1.8003	59.69	52.48
	2014	1.5739	61.18	56.47
	2015	1.7932	64.57	57.24

\*from launch of the Fund on 14 December  
\*\*from commencement of the share class on 4 May  
\*\*\*from commencement of the share class on 18 January

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

Comparative Tables (Continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.02%	2.02%
Institutional accumulation	1.09%	1.09%
Retail income	2.02%	2.02%
Institutional income	1.09%	1.09%
Standard Life income	0.87%	0.87%
Platform 1 accumulation	1.32%	1.32%
Platform 1 income	1.32%	1.32%

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 III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital gains		68		186
Revenue	77		47	
Expenses	(33)		(19)	
Interest and similar charges	(1)		0	
Net revenue before taxation	43		28	
Taxation	0		(1)	
Net revenue after taxation		43		27
<b>Total return before distributions</b>		111		213
Distributions		(59)		(36)
<b>Change in net assets attributable to shareholders from investment activities</b>		52		177

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		5,883		3,594
Amounts receivable on issue of shares	2,629		1,612	
Amounts payable on cancellation of shares	(1,260)		(375)	
		1,369		1,237
Dilution adjustment*		8		7
Change in net assets attributable to shareholders from investment activities (see above)		52		177
Retained distribution on accumulation shares		45		26
<b>Closing net assets attributable to shareholders</b>		7,357		5,041

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		7,252		5,829
Current assets:				
Debtors	75		51	
Cash equivalents	58		52	
		133		103
Total assets		7,385		5,932
<b>Liabilities</b>				
Creditors	(13)		(15)	
Bank overdrafts	(8)		(12)	
Distribution payable on income shares	(7)		(22)	
		(28)		(49)
Total liabilities		(28)		(49)
<b>Net assets attributable to shareholders</b>		<b>7,357</b>		<b>5,883</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.97%)</b>	<b>7,310</b>	<b>99.36</b>
<b>Absolute Return Fund (20.30%)</b>	<b>1,421</b>	<b>19.31</b>
1,868,998 SLI Global Absolute Return Strategies	1,421	19.31
<b>Bond Funds (8.96%)</b>	<b>646</b>	<b>8.78</b>
39,780 SLI Global Emerging Market Local Currency Debt SICAV	314	4.27
35,520 SLI Global High Yield Bond SICAV	332	4.51
<b>Equity Funds (65.60%)</b>	<b>4,882</b>	<b>66.36</b>
169,876 CF Morant Wright Nippon Yield	446	6.06
446,363 JPM US Equity Income	940	12.78
132,171 Schroder Asian Trust	66	0.90
710,120 SLI European Equity Income	539	7.33
763,362 SLI Global Emerging Markets Equity Income	341	4.63
795,327 SLI UK Equity High Income	671	9.12
2,367,918 SLI UK Equity Income Unconstrained	1,255	17.06
389,954 Threadneedle US Equity Income	624	8.48
<b>Money Market Fund (0.88%)</b>	<b>58</b>	<b>0.79</b>
58,174 SLI Seabury GBP VNAV Liquidity Fund*	58	0.79
<b>Property Fund (4.23%)</b>	<b>303</b>	<b>4.12</b>
455,152 SLI UK Property	303	4.12
Total investment assets	7,310	99.36
Net other assets	47	0.64
<b>Total Net Assets</b>	<b>7,357</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

Portfolio Statement (Continued)

Market  
value  
£'000

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### Reconciliation of assets and liabilities to the balance sheet

Investment assets as per the Balance Sheet	7,252
*Collective Investment Schemes classified as Cash Equivalents	58
Net investment assets	7,310
Net other assets	47
<b>Total Net Assets</b>	<b>7,357</b>

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# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.3170	-	0.3170*	0.2605
Group 2	0.2035	0.1135	0.3170*	0.2605
<b>Institutional accumulation</b>				
Group 1	0.4513	-	0.4513*	0.3994
Group 2	0.2637	0.1876	0.4513*	0.3994
<b>Retail income</b>				
Group 1	0.4323	-	0.4323**	0.4042
Group 2	0.0017	0.4306	0.4323**	0.4042
<b>Institutional income</b>				
Group 1	0.4455	-	0.4455**	0.4082
Group 2	0.0906	0.3549	0.4455**	0.4082
<b>Standard Life income</b>				
Group 1	0.3940	-	0.3940**	0.3619
Group 2	0.0000	0.3940	0.3940**	0.3619
<b>Platform 1 accumulation</b>				
Group 1	0.3914	-	0.3914*	0.3461
Group 2	0.0370	0.3544	0.3914*	0.3461
<b>Platform 1 income</b>				
Group 1	0.4250	-	0.4250**	0.3892
Group 2	0.2086	0.2164	0.4250**	0.3892

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

Distribution Tables (continued)

### for the three months ended 31 December 2015

#### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.1836	-	0.1836*	0.1751
Group 2	0.1391	0.0445	0.1836*	0.1751
<b>Institutional accumulation</b>				
Group 1	0.3060	-	0.3060*	0.3238
Group 2	0.0000	0.3060	0.3060*	0.3238
<b>Retail income</b>				
Group 1	0.3958	-	0.3958**	0.3238
Group 2	-	-	-	0.3238
<b>Institutional income</b>				
Group 1	0.3246	-	0.3246**	0.3259
Group 2	0.0239	0.3007	0.3246**	0.3259
<b>Standard Life income</b>				
Group 1	0.2567	-	0.2567**	0.2890
Group 2	0.0776	0.1791	0.2567**	0.2890
<b>Platform 1 accumulation</b>				
Group 1	0.2583	-	0.2583*	0.2681
Group 2	0.1819	0.0764	0.2583*	0.2681
<b>Platform 1 income</b>				
Group 1	0.3250	-	0.3250**	0.3114
Group 2	0.2465	0.0785	0.3250**	0.3114

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Managed Income V Fund

Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution tables as follows:

	<b>1st Interim Dividend Distribution</b>	<b>2nd Interim Dividend Distribution</b>
Treat as a UK corporate dividend	100.00%	90.54%
Treat as unfranked investment income*	0.00%	9.46%

\*After deduction of income tax at the lower rate. This amount is liable to corporation tax.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	16 December 2011

### Investment objective

The Fund aims to provide an income focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a high exposure to lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £1,940,000 and the total proceeds from sales were £1,515,000.

### 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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (13.27%)	13.08
Bond Funds (50.26%)	61.67
Equity Funds (12.56%)	12.10
Money Market Fund (14.33%)	6.95
Property Funds (5.10%)	6.18
Exchange Traded Bond Fund (4.02%)	-
Net other assets (0.46%)	0.02

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
BNY Mellon Absolute Return Bond	6.97
SLI Seabury GBP VNAV Liquidity Fund	6.95
Fidelity UK Corporate Bond	6.71
SLI Global Absolute Return Strategies	6.11
L&G Short Dated Corporate Bond Index	6.11
Twentyfour Global Corporate Bond	5.45
Royal London Short Duration Gilts	5.36
Morgan Stanley Sterling Corporate Bond	5.30
Royal London Short Duration Credit	5.25
Nomura US High Yield Bond	4.89



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	3,336	52.60	6,342,491
	30 June 2014	2,541	54.14	4,692,795
	30 June 2015	2,660	55.15	4,823,554
	31 December 2015	2,556	54.97	4,650,031
Institutional accumulation	30 June 2013	1	53.10	1,189
	30 June 2014	272	55.01	494,439
	30 June 2015	762	56.45	1,350,104
	31 December 2015	731	56.48	1,294,599
Retail income	30 June 2013	969	50.78	1,908,637
	30 June 2014	17	49.84	35,128
	30 June 2015	163	49.75	328,372
	31 December 2015	155	49.02	316,595
Institutional income	30 June 2013	1	51.08	1,191
	30 June 2014	556	51.80	1,073,179
	30 June 2015	1,134	52.02	2,179,492
	31 December 2015	1,070	51.49	2,077,984
Standard Life income	30 June 2013	1	49.36	1,200
	30 June 2014	1	50.28	1,410
	30 June 2015	1	50.72	2,909
	31 December 2015	2	50.39	3,145
Platform 1 accumulation	30 June 2013	30	52.17	60,308
	30 June 2014	113	54.00	209,137
	30 June 2015	629	55.31	1,136,457
	31 December 2015	722	55.29	1,305,292
Platform 1 income	30 June 2013	22	50.92	43,111
	30 June 2014	100	51.52	194,163
	30 June 2015	51	51.62	99,143
	31 December 2015	118	51.07	231,613

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2011*	-	50.19	49.94
	2012	0.4983	52.98	50.01
	2013	0.6125	54.81	52.50
	2014	0.5146	55.62	53.10
	2015	0.4727	57.09	54.42
Institutional accumulation	2011*	-	50.07	49.85
	2012	0.8655	53.34	49.84
	2013	0.7932	55.29	52.99
	2014	0.9448	56.69	53.79
	2015	0.9018	58.35	55.81
Retail income	2011*	-	50.19	49.94
	2012	1.0720	52.13	50.01
	2013	1.2090	53.35	50.86
	2014	1.0596	51.50	49.81
	2015	1.0166	51.87	48.89
Institutional income	2011*	-	50.07	49.85
	2012	1.2947	52.40	49.84
	2013	0.9637	53.71	51.30
	2014	1.1136	53.06	51.25
	2015	1.0655	54.10	51.23
Standard Life income	2013***	0.8913	51.55	49.43
	2014	1.0250	51.61	49.64
	2015	0.9950	52.70	50.09
Platform 1 accumulation	2012**	0.4200	52.39	50.00
	2013	0.9327	54.31	52.05
	2014	0.8151	55.57	52.84
	2015	0.8074	57.16	54.65
Platform 1 income	2012**	0.6040	51.98	50.00
	2013	1.1767	53.38	51.11
	2014	1.1179	52.72	51.01
	2015	1.0634	53.71	50.84

\* from launch of the Fund on 16 December  
 \*\* from commencement of the share class on 4 May  
 \*\*\* from commencement of the share class on 18 January

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

Comparative Tables (Continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	1.95%	1.95%
Institutional accumulation	1.02%	1.02%
Retail income	1.95%	1.95%
Institutional income	1.02%	1.02%
Standard Life income	0.55%	0.55%
Platform 1 accumulation	1.25%	1.25%
Platform 1 income	1.25%	1.25%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(37)		67
Revenue	67		49	
Expenses	(32)		(26)	
Net revenue before taxation	35		23	
Taxation	0		0	
Net revenue after taxation		35		23
<b>Total return before distributions</b>		(2)		90
Distributions		(44)		(29)
<b>Change in net assets attributable to shareholders from investment activities</b>		(46)		61

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		5,400		3,600
Amounts receivable on issue of shares	739		1,439	
Amounts payable on cancellation of shares	(760)		(449)	
		(21)		990
Dilution adjustment*		0		2
Change in net assets attributable to shareholders from investment activities (see above)		(46)		61
Retained distribution on accumulation shares		21		17
<b>Closing net assets attributable to shareholders</b>		5,354		4,670

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		4,981		4,601
Current assets:				
Debtors	42		58	
Cash and bank balances	0		6	
Cash equivalents	372		774	
		414		838
Total assets		5,395		5,439
<b>Liabilities</b>				
Creditors	(22)		(26)	
Bank overdrafts	(12)		0	
Distribution payable on income shares	(7)		(13)	
		(41)		(39)
Total liabilities		(41)		(39)
<b>Net assets attributable to shareholders</b>		5,354		5,400

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (95.52%)</b>	<b>5,353</b>	<b>99.98</b>
<b>Absolute Return Funds (13.27%)</b>	<b>700</b>	<b>13.08</b>
3,716 BNY Mellon Absolute Return Bond	373	6.97
430,630 SLI Global Absolute Return Strategies	327	6.11
<b>Bond Funds (50.26%)</b>	<b>3,302</b>	<b>61.67</b>
36,079 Allianz PIMCO Gilt Yield	59	1.10
185,072 AXA Sterling Credit Short Duration	189	3.53
155,742 BlackRock UK Gilts All Stocks Tracker	214	4.00
156,409 Fidelity Global Inflation-Linked Bond	185	3.46
13,996 Fidelity Reduced Duration UK Corporate Bond	137	2.56
295,594 Fidelity UK Corporate Bond	359	6.71
651,393 L&G Short Dated Corporate Bond Index	327	6.11
19,462 Morgan Stanley Sterling Corporate Bond	284	5.30
18,144 Neuberger Berman Emerging Markets Debt	148	2.76
2,904 Nomura US High Yield Bond	262	4.89
180,252 Royal London Global Index Linked	213	3.98
279,553 Royal London Short Duration Credit	281	5.25
285,590 Royal London Short Duration Gilts	287	5.36
109,411 Threadneedle UK High Yield Bond	65	1.21
3,028 Twentyfour Global Corporate Bond	292	5.45
<b>Equity Funds (12.56%)</b>	<b>648</b>	<b>12.10</b>
36,056 Artemis Income	74	1.38
40,685 CF Morant Wright Nippon Yield	107	2.00
138,349 Invesco Perpetual European Equity Income	159	2.97
71,048 Liontrust Macro Equity Income	134	2.50
77,066 JPM US Equity Income	162	3.03
12,890 Threadneedle UK Equity Income	12	0.22
<b>Money Market Fund (14.33%)</b>	<b>372</b>	<b>6.95</b>
372,354 SLI Seabury GBP VNAV Liquidity Fund*	372	6.95

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Property Funds (5.10%)</b>	<b>331</b>	<b>6.18</b>
206,669 Henderson UK Property	231	4.31
124,334 M&G Property Portfolio Feeder	100	1.87
<b>Exchange Traded Bond Fund (4.02%)</b>	<b>-</b>	<b>-</b>
Total investment assets	5,353	99.98
Net other assets	1	0.02
<b>Total Net Assets</b>	<b>5,354</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	4,981
*Collective Investment Schemes classified as Cash Equivalents	372
Net investment assets	5,353
Net other assets	1
<b>Total Net Assets</b>	<b>5,354</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Gross income 2015 pence per share	Income tax 2015 pence per share	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>						
Group 1	0.1300	0.0260	0.1040	-	0.1040 *	0.1783
Group 2	0.0000	0.0000	0.0000	0.1040	0.1040 *	0.1783
<b>Institutional accumulation</b>						
Group 1	0.2643	0.0528	0.2115	-	0.2115 *	0.2845
Group 2	0.0871	0.0174	0.0697	0.1418	0.2115 *	0.2845
<b>Retail income</b>						
Group 1	0.3026	0.0605	0.2421	-	0.2421**	0.3144
Group 2	0.0126	0.0025	0.0101	0.2320	0.2421**	0.3144
<b>Institutional income</b>						
Group 1	0.3168	0.0633	0.2535	-	0.2535**	0.3261
Group 2	0.1677	0.0335	0.1342	0.1193	0.2535**	0.3261
<b>Standard Life income</b>						
Group 1	0.2880	0.0576	0.2304	-	0.2304**	0.2876
Group 2	0.0818	0.0163	0.0655	0.1649	0.2304**	0.2876
<b>Platform 1 accumulation</b>						
Group 1	0.2275	0.0455	0.1820	-	0.1820 *	0.2527
Group 2	0.0731	0.0146	0.0585	0.1235	0.1820 *	0.2527
<b>Platform 1 income</b>						
Group 1	0.3140	0.0628	0.2512	-	0.2512**	0.3242
Group 2	0.0013	0.0002	0.0011	0.2501	0.2512**	0.3242

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income I Fund

Distribution Tables (Continued)

for the three months ended 31 December 2015

### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Gross income 2015 pence per share	Income tax 2015 pence per share	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>						
Group 1	0.1561	0.0312	0.1249	-	0.1249 *	0.0572
Group 2	0.0171	0.0034	0.0137	0.1112	0.1249 *	0.0572
<b>Institutional accumulation</b>						
Group 1	0.2920	0.0584	0.2336	-	0.2336 *	0.1752
Group 2	0.0510	0.0102	0.0408	0.1928	0.2336 *	0.1752
<b>Retail income</b>						
Group 1	0.3206	0.0641	0.2565	-	0.2565**	0.2331
Group 2	0.0610	0.0122	0.0488	0.2077	0.2565**	0.2331
<b>Institutional income</b>						
Group 1	0.3378	0.0675	0.2703	-	0.2703**	0.2161
Group 2	0.0236	0.0047	0.0189	0.2514	0.2703**	0.2161
<b>Standard Life income</b>						
Group 1	0.3307	0.0661	0.2646	-	0.2646**	0.2308
Group 2	0.0770	0.0154	0.0616	0.2030	0.2646**	0.2308
<b>Platform 1 accumulation</b>						
Group 1	0.2531	0.0506	0.2025	-	0.2025 *	0.1386
Group 2	0.1158	0.0231	0.0927	0.1098	0.2025 *	0.1386
<b>Platform 1 income</b>						
Group 1	0.3468	0.0693	0.2775	-	0.2775**	0.2135
Group 2	0.1676	0.0335	0.1341	0.1434	0.2775**	-

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	16 December 2011

### Investment objective

The Fund aims to provide an income focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference towards lower risk assets, such as fixed interest.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

There were no material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015.

The total value of purchases in the period was £7,691,000 and the total proceeds from sales were £7,298,000.

### 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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (15.12%)	15.38
Bond Funds (44.58%)	45.07
Equity Funds (28.25%)	25.95
Money Market Fund (2.62%)	3.36
Property Funds (7.65%)	9.91
Exchange Traded Bond Fund (1.38%)	-
Net other assets (0.40%)	0.33

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	10.96
Fidelity UK Corporate Bond	5.86
Henderson UK Property	5.76
Liontrust Macro Equity Income	5.39
L&G Short Dated Corporate Bond Index	4.88
Nomura US High Yield Bond	4.87
Neuberger Berman Emerging Markets Debt	4.76
Twentyfour Global Corporate Bond	4.73
Morgan Stanley Sterling Corporate Bond	4.63
BNY Mellon Absolute Return Bond	4.42

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	9,605	55.94	17,171,038
	30 June 2014	7,926	58.30	13,595,637
	30 June 2015	8,848	60.65	14,590,285
	31 December 2015	8,734	60.37	14,468,301
Institutional accumulation	30 June 2013	1	56.47	1,182
	30 June 2014	1,812	59.28	3,056,918
	30 June 2015	2,288	62.13	3,683,191
	31 December 2015	2,309	62.07	3,720,042
Retail income	30 June 2013	3,826	53.55	7,144,338
	30 June 2014	633	54.25	1,167,006
	30 June 2015	579	54.91	1,053,525
	31 December 2015	361	53.83	669,866
Institutional income	30 June 2013	10	54.02	18,781
	30 June 2014	5,134	55.27	9,287,914
	30 June 2015	5,183	56.54	9,165,597
	31 December 2015	5,289	55.73	9,491,495
Standard Life income	30 June 2013	1	49.92	2,162
	30 June 2014	3	51.24	5,090
	30 June 2015	4	52.66	8,342
	31 December 2015	5	52.04	9,482
Platform 1 accumulation	30 June 2013	365	54.53	669,960
	30 June 2014	1,003	57.17	1,755,064
	30 June 2015	1,849	59.82	3,090,507
	31 December 2015	2,140	59.71	3,583,849
Platform 1 income	30 June 2013	333	52.82	629,738
	30 June 2014	586	53.86	1,088,440
	30 June 2015	1,077	55.00	1,957,481
	31 December 2015	1,283	54.15	2,368,976

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2011*	-	50.54	49.93
	2012	0.8510	55.27	50.48
	2013	0.9305	59.02	55.26
	2014	0.8926	61.12	57.21
	2015	0.7758	63.50	59.31
Institutional accumulation	2011*	-	50.41	49.84
	2012	1.2859	55.60	50.29
	2013	1.1867	58.48	56.52
	2014	1.3453	62.34	57.99
	2015	1.2590	64.95	60.87
Retail income	2011*	-	50.54	49.93
	2012	1.4441	54.12	50.48
	2013	1.5419	59.57	53.76
	2014	1.4535	56.36	54.04
	2015	1.4531	57.81	53.55
Institutional income	2011*	-	50.41	49.84
	2012	1.6519	54.43	50.29
	2013	1.4414	58.82	53.96
	2014	1.5039	57.78	54.84
	2015	1.4318	59.43	55.24
Standard Life income	2013***	1.3186	53.01	50.00
	2014	1.3676	53.65	50.77
	2015	1.2752	55.29	51.50
Platform 1 accumulation	2012**	0.6746	53.74	49.69
	2013	1.0880	57.47	53.74
	2014	1.1821	60.08	55.97
	2015	1.1120	62.54	58.59
Platform 1 income	2012**	0.8060	53.15	49.72
	2013	1.7318	56.15	52.95
	2014	1.4889	56.26	53.52
	2015	1.4046	57.83	53.71

\*from launch of the Fund on 16 December

\*\*from commencement of the share class on 9 May

\*\*\*from commencement of the share class on 18 January

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

Comparative Tables (Continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.10%	2.10%
Institutional accumulation	1.17%	1.17%
Retail income	2.10%	2.10%
Institutional income	1.17%	1.17%
Standard Life income	0.70%	0.70%
Platform 1 accumulation	1.40%	1.40%
Platform 1 income	1.40%	1.40%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(205)		591
Revenue	292		252	
Expenses	(113)		(102)	
Interest and similar charges	(3)		(1)	
Net revenue before taxation	176		149	
Taxation	(19)		(21)	
Net revenue after taxation		157		128
<b>Total return before distributions</b>		(48)		719
Distributions		(200)		(169)
<b>Change in net assets attributable to shareholders from investment activities</b>		(248)		550

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		19,828		17,097
Amounts receivable on issue of shares	3,354		2,872	
Amounts payable on cancellation of shares	(2,921)		(1,984)	
		433		888
Dilution adjustment*		1		4
Change in net assets attributable to shareholders from investment activities (see above)		(248)		550
Retained distribution on accumulation shares		107		86
<b>Closing net assets attributable to shareholders</b>		20,121		18,625

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Investment assets		19,379		19,229
Current assets:				
Debtors	143		222	
Cash and bank balances	5		43	
Cash equivalents	676		519	
		823		784
Total assets		20,202		20,013
<b>Liabilities</b>				
Creditors	(35)		(105)	
Distribution payable on income shares	(46)		(80)	
		(81)		(185)
Total liabilities		(81)		(185)
<b>Net assets attributable to shareholders</b>		<b>20,121</b>		<b>19,828</b>



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (98.22%)</b>	<b>20,055</b>	<b>99.67</b>
<b>Absolute Return Funds (15.12%)</b>	<b>3,095</b>	<b>15.38</b>
8,841 BNY Mellon Absolute Return Bond	889	4.42
2,902,607 SLI Global Absolute Return Strategies	2,206	10.96
<b>Bond Funds (44.58%)</b>	<b>9,069</b>	<b>45.07</b>
503,208 AXA Sterling Credit Short Duration	514	2.55
336,137 Fidelity Global Inflation-Linked Bond	397	1.97
84,991 Fidelity Reduced Duration UK Corporate Bond	834	4.15
971,822 Fidelity UK Corporate Bond	1,179	5.86
1,957,978 L&G Short Dated Corporate Bond Index	981	4.88
63,747 Morgan Stanley Sterling Corporate Bond	931	4.63
117,275 Neuberger Berman Emerging Markets Debt	958	4.76
10,874 Nomura US High Yield Bond	980	4.87
335,217 Royal London Global Index Linked	395	1.96
695,777 Royal London Short Duration Credit	699	3.47
418,592 Threadneedle UK High Yield Bond	250	1.24
9,854 Twentyfour Global Corporate Bond	951	4.73
<b>Equity Funds (28.25%)</b>	<b>5,221</b>	<b>25.95</b>
260,446 Artemis Income	532	2.64
201,478 CF Morant Wright Nippon Yield	530	2.64
245,306 Columbia Threadneedle US Equity Income	392	1.95
574,586 Invesco Perpetual European Equity Income	662	3.29
342,289 JPM US Equity Income	721	3.58
575,287 Liontrust Macro Equity Income	1,084	5.39
386,335 Majedie UK Income	589	2.93
741,139 Threadneedle UK Equity Income	711	3.53
<b>Money Market Fund (2.62%)</b>	<b>676</b>	<b>3.36</b>
676,092 SLI Seabury GBP VNAV Liquidity Fund*	676	3.36

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Property Funds (7.65%)</b>	<b>1,994</b>	<b>9.91</b>
1,038,070 Henderson UK Property	1,158	5.76
1,039,106 M&G Property Portfolio Feeder	836	4.15
<b>Exchange Traded Fund (1.38%)</b>	-	-
<b>Bond Fund (1.38%)</b>	-	-
Total investment assets	20,055	99.67
Net other assets	66	0.33
<b>Total Net Assets</b>	<b>20,121</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	19,379
*Collective Investment Schemes classified as Cash Equivalents	676
Net investment assets	20,055
Net other assets	66
<b>Total Net Assets</b>	<b>20,121</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2211	-	0.2211*	0.2268
Group 2	0.0288	0.1923	0.2211*	0.2268
<b>Institutional accumulation</b>				
Group 1	0.3420	-	0.3420*	0.3435
Group 2	0.0815	0.2605	0.3420*	0.3435
<b>Retail income</b>				
Group 1	0.4040	-	0.4040**	0.4157
Group 2	0.0997	0.3043	0.4040**	0.4157
<b>Institutional income</b>				
Group 1	0.3895	-	0.3895**	0.3985
Group 2	0.1140	0.2755	0.3895**	0.3985
<b>Standard Life income</b>				
Group 1	0.3415	-	0.3415**	0.3428
Group 2	0.1141	0.2274	0.3415**	0.3428
<b>Platform 1 accumulation</b>				
Group 1	0.3018	-	0.3018*	0.3054
Group 2	0.0245	0.2773	0.3018*	0.3054
<b>Platform 1 income</b>				
Group 1	0.3857	-	0.3857**	0.3943
Group 2	0.0604	0.3253	0.3857**	0.3943

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

Distribution Tables (Continued)

### for the three months ended 31 December 2015

#### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2008	-	0.2008*	0.1657
Group 2	0.0000	0.2008	0.2008*	0.1657
<b>Institutional accumulation</b>				
Group 1	0.3218	-	0.3218*	0.2807
Group 2	0.0048	0.3170	0.3218*	0.2807
<b>Retail income</b>				
Group 1	0.3905	-	0.3905**	0.2503
Group 2	0.0000	0.3905	0.3905**	0.2503
<b>Institutional income</b>				
Group 1	0.3690	-	0.3690**	0.3059
Group 2	0.0364	0.3326	0.3690**	0.3059
<b>Standard Life income</b>				
Group 1	0.3218	-	0.3218**	0.2899
Group 2	0.0765	0.2453	0.3218**	0.2899
<b>Platform 1 accumulation</b>				
Group 1	0.2842	-	0.2842*	0.2442
Group 2	0.0515	0.2327	0.2842*	0.2442
<b>Platform 1 income</b>				
Group 1	0.3637	-	0.3637**	0.3072
Group 2	0.1721	0.1916	0.3637**	0.3072

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income II Fund

Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution tables as follows:

	<b>1st Interim Dividend Distribution</b>	<b>2nd Interim Dividend Distribution</b>
Treat as a UK corporate dividend	66.90%	55.21%
Treat as unfranked investment income*	33.10%	44.79%

\*After deduction of income tax at the lower rate. This amount is liable to corporation tax.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	16 December 2011

### Investment objective

The Fund aims to provide an income focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
Invesco Perpetual European Equity Income	2,242
Majedie Asset UK Income	2,158
Other purchases	9,765
<b>Total purchases</b>	<b>14,165</b>

Sales	Proceeds £'000
Standard Life European Equity Income	2,289
Other sales	8,633
<b>Total sales</b>	<b>10,922</b>

### Synthetic Risk & Reward Indicator

Lower risk Typically lower rewards			Higher risk Typically Higher rewards			
1	2	3	<b>4</b>	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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Fund (17.99%)	17.43
Bond Funds (29.83%)	30.78
Equity Funds (40.13%)	39.51
Money Market Fund (0.66%)	2.79
Property Funds (10.44%)	8.97
Net other assets (0.95%)	0.52

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	14.84
Nomura US High Yield Bond	6.54
JPM US Equity Income	6.48
Neuberger Berman Emerging Markets Debt	6.20
Threadneedle UK Equity Income	6.01
Liontrust Macro Equity Income	5.56
Henderson UK Property	5.49
Majedie UK Income	4.74
Invesco Perpetual European Equity Income	4.53
CF Morant Wright Nippon Yield	4.09

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	17,619	58.98	29,870,717
	30 June 2014	21,364	62.22	34,336,225
	30 June 2015	23,178	64.52	35,925,067
	31 December 2015	23,804	64.39	36,968,488
Institutional accumulation	30 June 2013	1	59.59	1,175
	30 June 2014	5,827	63.30	9,205,611
	30 June 2015	7,080	66.12	10,708,053
	31 December 2015	7,336	66.24	11,075,876
Retail income	30 June 2013	2,931	55.77	5,255,523
	30 June 2014	783	56.75	1,379,510
	30 June 2015	734	57.02	1,286,469
	31 December 2015	408	56.02	728,616
Institutional income	30 June 2013	1	56.36	1,179
	30 June 2014	3,803	58.09	6,545,960
	30 June 2015	5,339	58.83	9,075,701
	31 December 2015	6,231	58.06	10,731,476
Standard Life income	30 June 2013	20	50.10	41,044
	30 June 2014	100	51.74	193,030
	30 June 2015	102	52.63	193,080
	31 December 2015	101	52.08	193,080
Platform 1 accumulation	30 June 2013	517	55.71	928,191
	30 June 2014	1,657	59.10	2,803,960
	30 June 2015	2,648	61.64	4,296,144
	31 December 2015	4,417	61.69	7,160,274
Platform 1 income	30 June 2013	181	53.44	339,100
	30 June 2014	1,195	54.91	2,177,177
	30 June 2015	1,866	55.49	3,362,535
	31 December 2015	2,215	54.69	4,049,210



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

Comparative Tables (continued)

	Calendar year	Distribution per share p	Highest share price p	Lowest share price p
Retail accumulation	2011*	-	50.52	49.91
	2012	1.3321	57.55	50.53
	2013	1.3819	62.84	57.66
	2014	1.2982	65.28	60.51
	2015	1.2073	67.84	62.63
Institutional accumulation	2011*	-	50.39	49.82
	2012	1.7868	57.90	50.34
	2013	1.6897	63.42	58.02
	2014	1.8054	66.62	61.36
	2015	1.7335	69.41	64.30
Retail income	2011*	-	50.52	49.91
	2012	1.9377	55.87	50.53
	2013	1.9807	60.09	55.60
	2014	1.8775	59.08	55.99
	2015	1.8483	60.50	55.24
Institutional income	2011*	-	50.39	49.82
	2012	2.0588	56.26	50.34
	2013	1.9316	60.73	55.99
	2014	1.9121	60.70	57.33
	2015	1.8498	62.31	57.10
Standard Life income	2013**	1.7210	54.08	50.00
	2014	1.6917	54.16	50.97
	2015	1.5890	55.69	51.13
Platform 1 accumulation	2012***	0.9493	54.16	49.41
	2013	1.7468	59.32	54.28
	2014	1.5917	62.16	57.34
	2015	1.5107	64.73	59.92
Platform 1 income	2012***	1.1416	53.41	49.42
	2013	2.2166	57.55	53.34
	2014	1.7741	57.31	54.19
	2015	1.7593	58.80	53.83

\*from launch of the Fund on 16 December  
\*\*from commencement of the share class on 18 January  
\*\*\*from commencement of the share class on 9 May

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

Comparative Tables (continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.18%	2.18%
Institutional accumulation	1.25%	1.25%
Retail income	2.18%	2.18%
Institutional income	1.25%	1.25%
Standard Life income	0.78%	0.78%
Platform 1 accumulation	1.48%	1.48%
Platform 1 income	1.48%	1.48%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(421)		978
Revenue	680		578	
Expenses	(252)		(225)	
Interest and similar charges	(12)		(5)	
Net revenue before taxation	416		348	
Taxation	(32)		(34)	
Net revenue after taxation		384		314
<b>Total return before distributions</b>		(37)		1,292
Distributions		(442)		(400)
<b>Change in net assets attributable to shareholders from investment activities</b>		(479)		892

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		40,947		34,729
Amounts receivable on issue of shares	7,598		5,786	
Less: Amounts payable on cancellation of shares	(3,896)		(1,862)	
		3,702		3,924
Dilution adjustment*		13		16
Change in net assets attributable to shareholders from investment activities (see above)		(479)		892
Retained distribution on accumulation shares		329		313
<b>Closing net assets attributable to shareholders</b>		44,512		39,874

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		43,037		40,288
Current assets:				
Debtors	509		533	
Cash and bank balances	0		54	
Cash equivalents	1,244		271	
		1,753		858
Total assets		44,790		41,146
<b>Liabilities</b>				
Creditors	(103)		(70)	
Bank overdrafts	(110)		0	
Distribution payable on income shares	(65)		(129)	
		(278)		(199)
Total liabilities		(278)		(199)
<b>Net assets attributable to shareholders</b>		44,512		40,947

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.05%)</b>	<b>39,044</b>	<b>87.72</b>
<b>Absolute Return Fund (17.99%)</b>	<b>7,756</b>	<b>17.43</b>
11,458 BNY Mellon Absolute Return Bond	1,151	2.59
8,688,975 SLI Global Absolute Return Strategies	6,605	14.84
<b>Bond Funds (29.83%)</b>	<b>13,701</b>	<b>30.78</b>
485,520 AXA Sterling Credit Short Duration	496	1.11
72,716 Fidelity Reduced Duration UK Corporate Bond	713	1.60
1,360,309 Fidelity UK Corporate Bond	1,650	3.71
2,448,969 L&G Short Dated Corporate Bond Index	1,227	2.76
72,405 Morgan Stanley Sterling Corporate Bond	1,058	2.38
337,979 Neuberger Berman Emerging Markets Debt	2,761	6.20
32,288 Nomura US High Yield Bond	2,910	6.54
1,066,558 Royal London Short Duration Credit	1,072	2.41
1,239,386 Threadneedle UK High Yield Bond	741	1.66
11,114 Twentyfour Global Corporate Bond	1,073	2.41
<b>Equity Funds (40.13%)</b>	<b>17,587</b>	<b>39.51</b>
819,981 Artemis Income	1,673	3.76
691,997 CF Morant Wright Nippon Yield	1,819	4.09
1,748,956 Invesco Perpetual European Equity Income	2,015	4.53
1,369,347 JPM US Equity Income	2,884	6.48
1,312,936 Liontrust Macro Equity Income	2,474	5.56
76,554 Magna Emerging Market Dividend	586	1.31
1,385,080 Majedie UK Income	2,111	4.74
2,788,026 Threadneedle UK Equity Income	2,674	6.01
844,572 Threadneedle US Equity Income	1,351	3.03
<b>Money Market Fund (0.66%)</b>	<b>1,244</b>	<b>2.79</b>
1,243,660 SLI Seabury GBP VNAV Liquidity Fund *	1,244	2.79

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
<b>Property Funds (10.44%)</b>	<b>3,993</b>	<b>8.97</b>
2,189,449 Henderson UK Property	2,443	5.49
1,317,257 M&G Property Portfolio	1,550	3.48
Total investment assets	44,281	99.48
Net other assets	231	0.52
<b>Total Net Assets</b>	<b>44,512</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	43,037
*Collective Investment Schemes classified as Cash Equivalents	1,244
Net investment assets	44,281
Net other assets	231
<b>Total Net Assets</b>	<b>44,512</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2801	-	0.2801*	0.3173
Group 2	0.0754	0.2047	0.2801*	0.3173
<b>Institutional accumulation</b>				
Group 1	0.4097	-	0.4097*	0.4439
Group 2	0.0819	0.3278	0.4097*	0.4439
<b>Retail income</b>				
Group 1	0.4601	-	0.4601**	0.4602
Group 2	0.0933	0.3668	0.4601**	0.4602
<b>Institutional income</b>				
Group 1	0.4465	-	0.4465**	0.4727
Group 2	0.1789	0.2676	0.4465**	0.4727
<b>Standard Life income</b>				
Group 1	0.3768	-	0.3768**	0.4121
Group 2	-	-	-	-
<b>Platform 1 accumulation</b>				
Group 1	0.3547	-	0.3547*	0.3880
Group 2	0.1156	0.2391	0.3547*	0.3880
<b>Platform 1 income</b>				
Group 1	0.4274	-	0.4274**	0.4512
Group 2	0.1372	0.2902	0.4274**	0.4512

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

Distribution Tables (Continued)

### for the three months ended 31 December 2015

#### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2519	-	0.2519*	0.2538
Group 2	0.0916	0.1603	0.2519*	0.2538
<b>Institutional accumulation</b>				
Group 1	0.3822	-	0.3822*	0.3786
Group 2	0.0988	0.2834	0.3822*	0.3786
<b>Retail income</b>				
Group 1	0.4367	-	0.4367**	0.3974
Group 2	0.1368	0.2999	0.4367**	0.3974
<b>Institutional income</b>				
Group 1	0.4194	-	0.4194**	0.4148
Group 2	0.1534	0.2660	0.4194**	0.4148
<b>Standard Life income</b>				
Group 1	0.3520	-	0.3520**	0.3561
Group 2	-	-	-	-
<b>Platform 1 accumulation</b>				
Group 1	0.3342	-	0.3342*	0.3290
Group 2	0.0360	0.2982	0.3342*	0.3290
<b>Platform 1 income</b>				
Group 1	0.4010	-	0.4010**	0.3813
Group 2	0.1930	0.2080	0.4010**	0.3813

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income III Fund

Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution tables as follows:

	<b>1st Interim Dividend Distribution</b>	<b>2nd Interim Dividend Distribution</b>
Treat as a UK corporate dividend	81.18%	63.47%
Treat as unfranked investment income*	18.82%	36.53%

\*After deduction of income tax at the lower rate. This amount is liable to corporation tax.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambi
Launch Date	16 December 2011

### Investment objective

The Fund aims to provide an income focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve a broad exposure to diversified investments, including equities, fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have a preference to those assets providing potential for growth, such as equities.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Cost £'000
Majedie UK Income	663
Invesco Perpetual European Equity Income	656
Other purchases	2,763
<b>Total purchases</b>	<b>4,082</b>

Sales	Proceeds £'000
SLI European Equity Income	873
Other sales	3,446
<b>Total sales</b>	<b>4,319</b>

### Synthetic Risk & Reward Indicator

Lower risk  
Typically lower rewards

Higher risk  
Typically Higher rewards

1	2	3	<b>4</b>	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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Funds (19.03%)	18.60
Bond Funds (16.66%)	21.34
Equity Funds (51.15%)	46.84
Money Market Fund (0.83%)	1.83
Property Funds (11.84%)	10.83
Net other assets (0.49%)	0.56

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	17.67
JPM US Equity Income	10.34
Nomura US High Yield Bond	8.10
Neuberger Berman Emerging Markets Debt	7.68
Threadneedle UK Equity Income	7.03
Henderson UK Property	6.79
Liontrust Macro Equity Income	6.70
Majedie UK Income	5.77
Invesco Perpetual European Equity Income	4.71
CF Morant Wright Nippon Yield	4.44

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	5,094	59.05	8,626,286
	30 June 2014	5,837	62.64	9,318,120
	30 June 2015	5,097	64.97	7,845,178
	31 December 2015	4,636	64.64	7,172,761
Institutional accumulation	30 June 2013	1	59.48	1,178
	30 June 2014	1,843	63.60	2,898,624
	30 June 2015	1,926	66.46	2,898,316
	31 December 2015	1,949	66.37	2,936,701
Retail income	30 June 2013	604	55.74	1,083,934
	30 June 2014	175	56.98	307,534
	30 June 2015	157	57.18	274,895
	31 December 2015	71	55.90	126,589
Institutional income	30 June 2013	1	56.50	1,182
	30 June 2014	1,219	58.34	2,089,277
	30 June 2015	1,779	58.98	3,015,822
	31 December 2015	1,580	58.03	2,723,075
Standard Life income	30 June 2013	6	50.82	11,939
	30 June 2014	7	52.65	12,500
	30 June 2015	14	53.48	26,809
	31 December 2015	7	52.73	13,076
Platform 1 accumulation	30 June 2013	46	56.08	82,489
	30 June 2014	664	59.83	1,109,741
	30 June 2015	1,480	62.40	2,385,532
	31 December 2015	2,231	62.26	3,583,611
Platform 1 income	30 June 2013	193	53.73	359,937
	30 June 2014	590	55.36	1,065,231
	30 June 2015	1,091	55.87	1,952,191
	31 December 2015	810	54.87	1,475,727

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2011*	-	50.57	49.90
	2012	1.4701	56.70	50.73
	2013	1.4896	63.27	56.87
	2014	1.3789	65.90	60.50
	2015	1.3121	69.50	62.60
Institutional accumulation	2011*	-	50.45	49.81
	2012	1.8670	57.06	50.54
	2013	1.6758	63.87	57.25
	2014	1.8676	67.13	61.24
	2015	1.8354	70.98	64.16
Retail income	2011*	-	50.57	49.90
	2012	2.0348	55.08	50.73
	2013	2.1350	60.54	54.83
	2014	1.9568	59.50	55.76
	2015	1.9700	61.81	55.03
Institutional income	2011*	-	50.45	49.81
	2012	2.1902	55.75	50.54
	2013	1.8944	61.49	55.53
	2014	1.9838	61.11	57.21
	2015	1.9408	63.65	56.90
Standard Life income	2013***	1.8079	55.07	50.00
	2014	1.7611	55.25	51.59
	2015	1.6511	57.64	51.62
Platform 1 accumulation	2012**	0.9848	53.68	49.10
	2013	2.0111	60.06	53.86
	2014	1.6498	63.09	57.65
	2015	1.6255	66.66	60.21
Platform 1 income	2012**	1.1976	52.88	49.11
	2013	2.2299	58.26	52.92
	2014	1.8900	57.94	54.25
	2015	1.8480	60.31	53.84

\*from launch of the Fund on 16 December  
\*\*from commencement of the share class on 9 May  
\*\*\*from commencement of the share class on 18 January

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

Comparative Tables (Continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.30%	2.30%
Institutional accumulation	1.37%	1.37%
Retail income	2.30%	2.30%
Institutional income	1.37%	1.37%
Standard Life income	0.90%	0.90%
Platform 1 accumulation	1.60%	1.60%
Platform 1 income	1.60%	1.60%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(123)		275
Revenue	182		166	
Expenses	(64)		(64)	
Interest and similar charges	(4)		(2)	
Net revenue before taxation	114		100	
Taxation	(9)		(7)	
Net revenue after taxation		105		93
<b>Total return before distributions</b>		(18)		368
Distributions		(127)		(125)
<b>Change in net assets attributable to shareholders from investment activities</b>		(145)		243

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		11,553		10,335
Amounts receivable on issue of shares	2,327		2,415	
Amounts payable on cancellation of shares	(2,536)		(1,817)	
		(209)		598
Dilution adjustment*		(1)		3
Change in net assets attributable to shareholders from investment activities (see above)		(145)		243
Retained distribution on accumulation shares		86		87
<b>Closing net assets attributable to shareholders</b>		11,284		11,266

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		11,014		11,400
Current assets:				
Debtors	148		282	
Cash and bank balances	0		27	
Cash equivalents	207		96	
		355		405
Total assets		11,369		11,805
<b>Liabilities</b>				
Creditors	(25)		(197)	
Bank overdrafts	(41)		0	
Distribution payable on income shares	(19)		(55)	
		(85)		(252)
Total liabilities		(85)		(252)
<b>Net assets attributable to shareholders</b>		<b>11,284</b>		<b>11,553</b>



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (99.51%)</b>	<b>11,221</b>	<b>99.44</b>
<b>Absolute Return Funds (19.03%)</b>	<b>2,099</b>	<b>18.60</b>
1,041 BNY Mellon Absolute Return Bond	105	0.93
2,623,205 SLI Global Absolute Return Strategies	1,994	17.67
<b>Bond Funds (16.66%)</b>	<b>2,408</b>	<b>21.34</b>
106,074 Neuberger Berman Emerging Markets Debt	867	7.68
10,145 Nomura US High Yield Bond	914	8.10
237,095 Royal London Short Duration Credit	238	2.11
390,237 Threadneedle UK High Yield Bond	233	2.07
1,613 Twentyfour Global Corporate Bond	156	1.38
<b>Equity Funds (51.15%)</b>	<b>5,285</b>	<b>46.84</b>
225,671 Artemis Income	461	4.09
190,494 CF Morant Wright Nippon Yield	501	4.44
133,146 Columbia Threadneedle US Equity Income	213	1.89
461,977 Invesco Perpetual European Equity Income	532	4.71
553,915 JPM US Equity Income	1,167	10.34
401,151 Liontrust Macro Equity Income	756	6.70
27,636 Magna Emerging Market Dividend	211	1.87
427,061 Majedie UK Income	651	5.77
827,367 Threadneedle UK Equity Income	793	7.03
<b>Money Market Fund (0.83%)</b>	<b>207</b>	<b>1.83</b>
207,128 SLI Seabury GBP VNAV Liquidity Fund*	207	1.83
<b>Property Funds (11.84%)</b>	<b>1,222</b>	<b>10.83</b>
686,322 Henderson UK Property	766	6.79
387,729 M&G Property Portfolio	456	4.04

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
Total investment assets	11,221	99.44
Net other assets	63	0.56
<b>Total Net Assets</b>	<b>11,284</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	11,014
*Collective Investment Schemes classified as Cash Equivalents	207
Net investment assets	11,221
Net other assets	63
<b>Total Net Assets</b>	<b>11,284</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2735	-	0.2735*	0.3142
Group 2	0.1550	0.1185	0.2735*	0.3142
<b>Institutional accumulation</b>				
Group 1	0.4031	-	0.4031*	0.4386
Group 2	0.2685	0.1346	0.4031*	0.4386
<b>Retail income</b>				
Group 1	0.4162	-	0.4162**	0.4583
Group 2	0.1109	0.3053	0.4162**	0.4583
<b>Institutional income</b>				
Group 1	0.4241	-	0.4241**	0.4721
Group 2	0.1632	0.2609	0.4241**	0.4721
<b>Standard Life income</b>				
Group 1	0.3756	-	0.3756**	0.4148
Group 2	0.1720	0.2036	0.3756**	0.4148
<b>Platform 1 accumulation</b>				
Group 1	0.3504	-	0.3504*	0.3879
Group 2	0.0000	0.3504	0.3504*	0.3879
<b>Platform 1 income</b>				
Group 1	0.3997	-	0.3997**	0.4478
Group 2	0.2337	0.1660	0.3997**	0.4478

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

Distribution Tables (Continued)

### for the three months ended 31 December 2015

#### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2602	-	0.2602*	0.2787
Group 2	0.0000	0.2602	0.2602*	0.2787
<b>Institutional accumulation</b>				
Group 1	0.3921	-	0.3921*	0.4086
Group 2	0.0429	0.3492	0.3921*	0.4086
<b>Retail income</b>				
Group 1	0.5079	-	0.5079**	0.4222
Group 2	0.2275	0.2804	0.5079**	0.4222
<b>Institutional income</b>				
Group 1	0.4431	-	0.4431**	0.4440
Group 2	0.1884	0.2547	0.4431**	0.4440
<b>Standard Life income</b>				
Group 1	0.3549	-	0.3549**	0.3840
Group 2	0.1036	0.2513	0.3549**	0.3840
<b>Platform 1 accumulation</b>				
Group 1	0.3461	-	0.3461*	0.3636
Group 2	0.0421	0.3040	0.3461*	0.3636
<b>Platform 1 income</b>				
Group 1	0.4312	-	0.4312**	0.4194
Group 2	0.1793	0.2519	0.4312**	0.4194

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income IV Fund

Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution tables as follows:

	1st Interim Dividend Distribution	2nd Interim Dividend Distribution
Treat as a UK corporate dividend	100.00%	41.61%
Treat as unfranked investment income*	0.00%	58.39%

\*After deduction of income tax at the lower rate. This amount is liable to corporation tax.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

### Investment Report

Fund Information	
Fund Manager	Bambos Hambli
Launch Date	16 December 2011

### Investment objective

The Fund aims to provide an income focused return with some capital appreciation over the longer term.

### Investment policy

The current policy of the Fund is to invest mainly in a range of collective investment schemes to achieve exposure to diversified investments, of primarily equities, but which may include fixed and variable rate interest bearing securities and immovable property. The Fund may also invest in transferable securities, money-market instruments, deposits, cash and near cash. Typically, the Fund will have high exposure to assets providing potential for growth, such as equities.

### Risk

It is intended for investors who wish to participate in the opportunity to achieve a competitive level of income with the potential of some capital appreciation over the longer term by investing in an actively managed portfolio of collective investment schemes which themselves invest in equities, fixed and variable rate interest bearing securities and immovable property. The diversified nature of the portfolio makes it suitable for investors wishing to achieve a broad spread of exposure. The investor must be able to accept significant temporary losses to capital and the possibility of fluctuations in the income level due to the volatile nature of equity, bond, property and currency markets, and should therefore have an investment time horizon of at least 5 years.

### Investment activity

The Investment activity for each sub-fund is documented as a whole on pages 7-10.

The following table highlights the material (greater than 5% of opening Net Asset Value) changes made to the portfolio in the period to 31 December 2015:

Purchases	Costs £'000
Columbia Threadneedle US Equity Income	313
Majedie UK Income	282
Invesco Perpetual European Equity Income	278
CF Morant Wright Nippon Yield	194
Other purchases	785
<b>Total purchases</b>	<b>1,852</b>

Sales	Proceeds £'000
SLI European Equity Income Income	271
Cullen North American High Yield Dividend	226
Other sales	674
<b>Total sales</b>	<b>1,171</b>

### Synthetic Risk & Reward Indicator

Lower risk  
Typically lower rewards

Higher risk  
Typically Higher rewards

1	2	3	<b>4</b>	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. As the Fund does not have a five year price history, we have used an internally produced bespoke blended benchmark to show how the Fund price may have behaved over the period prior to the launch of the Fund.

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

Investment Report (Continued)

Composition of Portfolio	%
as at 31 December 2015	
Absolute Return Fund (20.24%)	19.45
Bond Funds (9.66%)	8.75
Equity Funds (64.75%)	66.75
Money Market Fund (0.00%)	0.80
Property Funds (4.34%)	4.20
Net other assets (1.01%)	0.05

The percentage figures in brackets show the comparative holding as at 30 June 2015.

Ten Largest Holdings (by market value)	%
as at 31 December 2015	
SLI Global Absolute Return Strategies	19.45
JPM US Equity Income	12.93
Columbia Threadneedle US Equity Income	8.31
Threadneedle UK Equity Income	8.03
Liontrust Macro Equity Income	7.36
Majedie UK Income	6.84
Invesco Perpetual European Equity Income	6.76
CF Morant Wright Nippon Yield	5.50
Magna Emerging Market Dividend	5.20
Artemis Income	4.87

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

### Comparative Tables

	Accounting period	Net asset value £'000	Net asset value per share p	Shares in issue
Retail accumulation	30 June 2013	1,211	59.60	2,032,227
	30 June 2014	1,184	63.29	1,870,369
	30 June 2015	1,699	66.47	2,556,263
	31 December 2015	2,195	66.52	3,298,668
Institutional accumulation	30 June 2013	1	59.95	1,182
	30 June 2014	201	64.07	314,172
	30 June 2015	263	67.76	388,099
	31 December 2015	260	68.09	382,272
Retail income	30 June 2013	149	55.06	271,255
	30 June 2014	12	56.47	21,822
	30 June 2015	3	57.31	4,497
	31 December 2015	1	56.54	2,006
Institutional income	30 June 2013	1	56.81	1,186
	30 June 2014	190	58.66	324,287
	30 June 2015	224	60.09	372,841
	31 December 2015	221	59.44	372,128
Standard Life income	30 June 2013	3	51.71	6,836
	30 June 2014	4	53.70	7,845
	30 June 2015	108	55.27	196,190
	31 December 2015	108	54.84	196,680
Platform 1 accumulation	30 June 2013	2	57.10	2,985
	30 June 2014	494	60.93	810,581
	30 June 2015	843	64.35	1,309,907
	31 December 2015	809	64.60	1,252,283
Platform 1 income	30 June 2013	1	55.14	1,200
	30 June 2014	229	56.85	401,552
	30 June 2015	338	58.13	581,181
	31 December 2015	427	57.45	743,137



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

Comparative Tables (Continued)

	Calendar year	Distribution per share	Highest share price	Lowest share price
		p	p	p
Retail accumulation	2011*	-	50.69	49.89
	2012	1.3199	56.02	50.86
	2013	1.4522	64.02	56.08
	2014	1.3797	67.27	61.00
	2015	1.3073	71.52	63.21
Institutional accumulation	2011*	-	50.57	49.80
	2012	1.8231	55.85	50.66
	2013	1.7377	63.84	55.90
	2014	1.9341	68.29	61.58
	2015	1.8771	72.80	64.51
Retail income	2011*	-	50.69	49.89
	2012	1.9828	54.66	50.74
	2013	1.9061	59.92	52.67
	2014	1.8949	59.54	55.14
	2015	1.9305	62.38	54.64
Institutional income	2011*	-	50.57	49.80
	2012	2.2427	54.94	50.66
	2013	1.8694	61.73	54.54
	2014	2.0417	62.04	57.40
	2015	1.9776	65.17	57.26
Standard Life income	2013***	1.9767	56.14	50.00
	2014	1.7560	56.90	52.45
	2015	1.7312	59.87	52.69
Platform 1 accumulation	2012**	0.9147	53.75	49.09
	2013	1.7678	61.33	53.78
	2014	1.6540	64.91	58.60
	2015	1.7121	69.15	61.24
Platform 1 income	2012**	1.2644	53.05	49.09
	2013	1.8904	59.93	52.89
	2014	1.9912	60.08	55.59
	2015	1.9313	63.07	55.38

\* from launch of the Fund on 16 December

\*\* from commencement of the share class on 9 May

\*\*\* from commencement of the share class on 18 January

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

Comparative Tables (Continued)

### Ongoing Charges Figure (OCF)

	31 December 2015	30 June 2015
Retail accumulation	2.31%	2.31%
Institutional accumulation	1.39%	1.39%
Retail income	2.31%	2.31%
Institutional income	1.39%	1.39%
Standard Life income	0.91%	0.91%
Platform 1 accumulation	1.61%	1.61%
Platform 1 income	1.61%	1.61%

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 III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

### Financial Statements

#### Statement of Total Return

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(26)		90
Revenue	52		36	
Expenses	(21)		(14)	
Interest and similar charges	(1)		0	
Net revenue before taxation	30		22	
Taxation	0		(1)	
Net revenue after taxation		30		21
<b>Total return before distributions</b>		4		111
Distributions		(38)		(27)
<b>Change in net assets attributable to shareholders from investment activities</b>		(34)		84

#### Statement of Change in Net Assets Attributable to Shareholders

for the six months ended 31 December 2015 (unaudited)

	31 December 2015		31 December 2014	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		3,478		2,314
Amounts receivable on issue of shares	757		579	
Amounts payable on cancellation of shares	(210)		(409)	
		547		170
Dilution adjustment*		1		1
Change in net assets attributable to shareholders from investment activities (see above)		(34)		84
Retained distribution on accumulation shares		29		21
<b>Closing net assets attributable to shareholders</b>		4,021		2,590

Comparative information is provided for the statement of change in net assets attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

\* The dilution adjustment is the difference between the mid price and the swung price. The dilution adjustment reduces the impact of transactions with shareholders to the fund.

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

Financial Statements (Continued)

### Balance Sheet

as at 31 December 2015 (unaudited)

	31 December 2015		30 June 2015	
	£'000	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets:				
Investment assets		3,987		3,443
Current assets:				
Debtors	27		84	
Cash and bank balances	0		12	
Cash equivalents	32		0	
		59		96
Total assets		4,046		3,539
<b>Liabilities</b>				
Creditors	(9)		(51)	
Bank overdrafts	(10)		0	
Distribution payable on income shares	(6)		(10)	
		(25)		(61)
Total liabilities		(25)		(61)
<b>Net assets attributable to shareholders</b>		4,021		3,478

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

Portfolio Statement as at 31 December 2015 (unaudited)

Holding	Market value £'000	Percentage of total net assets
<b>Collective Investment Schemes (98.99%)</b>	<b>4,019</b>	<b>99.95</b>
<b>Absolute Return Fund (20.24%)</b>	<b>782</b>	<b>19.45</b>
1,028,899 SLI Global Absolute Return Strategies	782	19.45
<b>Bond Funds (9.66%)</b>	<b>352</b>	<b>8.75</b>
20,253 Neuberger Berman Emerging Markets Debt	166	4.13
1,646 Nomura US High Yield Bond	148	3.68
63,105 Threadneedle UK High Yield Bond	38	0.94
<b>Equity Funds (64.75%)</b>	<b>2,684</b>	<b>66.75</b>
96,098 Artemis Income	196	4.87
84,166 CF Morant Wright Nippon Yield	221	5.50
208,778 Columbia Threadneedle US Equity Income	334	8.31
236,328 Invesco Perpetual European Equity Income	272	6.76
246,949 JPM US Equity Income	520	12.93
157,079 Liontrust Macro Equity Income	296	7.36
27,284 Magna Emerging Market Dividend	209	5.20
180,313 Majedie UK Income	275	6.84
77,009 Schroder Asian Income Trust	38	0.95
336,262 Threadneedle UK Equity Income	323	8.03
<b>Money Market Fund (0.00%)</b>	<b>32</b>	<b>0.80</b>
32,166 SLI Seabury GBP VNAV Liquidity Fund*	32	0.80
<b>Property Funds (4.34%)</b>	<b>169</b>	<b>4.20</b>
112,982 Henderson UK Property	126	3.13
36,347 M&G Property Portfolio	43	1.07

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

Portfolio Statement (Continued)

Holding	Market value £'000	Percentage of total net assets
Total investment assets	4,019	99.95
Net other assets	2	0.05
<b>Total Net Assets</b>	<b>4,021</b>	<b>100.00</b>

All investments are regulated collective investment schemes within the meaning of the FCA rules unless otherwise stated.

The percentage figures in brackets show the comparative holding as at 30 June 2015.

	Market value £'000
<b>Reconciliation of assets and liabilities to the balance sheet</b>	
Investment assets as per the Balance Sheet	3,987
*Collective Investment Schemes classified as Cash Equivalents	32
Net investment assets	4,019
Net other assets	2
<b>Total Net Assets</b>	<b>4,021</b>

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

### Distribution Tables

#### for the three months ended 30 September 2015

##### Dividend distribution

Group 1 - shares purchased prior to 1 July 2015

Group 2 - shares purchased between 1 July 2015 and 30 September 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution paid 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2733	-	0.2733*	0.3203
Group 2	0.1288	0.1445	0.2733*	0.3203
<b>Institutional accumulation</b>				
Group 1	0.4353	-	0.4353*	0.4664
Group 2	0.1055	0.3298	0.4353*	0.4664
<b>Retail income</b>				
Group 1	0.4213	-	0.4213**	0.4766
Group 2	-	-	-	0.4766
<b>Institutional income</b>				
Group 1	0.4537	-	0.4537**	0.4933
Group 2	0.3166	0.1371	0.4537**	0.4933
<b>Standard Life income</b>				
Group 1	0.4213	-	0.4213**	0.4430
Group 2	0.1999	0.2214	0.4213**	0.4430
<b>Platform 1 accumulation</b>				
Group 1	0.3787	-	0.3787*	0.3780
Group 2	0.1623	0.2164	0.3787*	0.3780
<b>Platform 1 income</b>				
Group 1	0.4388	-	0.4388**	0.4650
Group 2	0.2383	0.2005	0.4388**	0.4650

\* Distribution accumulated on 30 September 2015

\*\* Distribution paid on 31 December 2015

# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

Distribution Tables (Continued)

for the three months ended 31 December 2015

### Dividend distribution

Group 1 - shares purchased prior to 1 October 2015

Group 2 - shares purchased between 1 October 2015 and 31 December 2015

	Net income 2015 pence per share	Equalisation 2015 pence per share	Distribution payable 2015 pence per share	Distribution paid 2014 pence per share
<b>Retail accumulation</b>				
Group 1	0.2911	-	0.2911*	0.2578
Group 2	0.0276	0.2635	0.2911*	0.2578
<b>Institutional accumulation</b>				
Group 1	0.4088	-	0.4088*	0.3917
Group 2	0.1302	0.2786	0.4088*	0.3917
<b>Retail income</b>				
Group 1	0.4637	-	0.4637**	0.3922
Group 2	-	-	-	0.3922
<b>Institutional income</b>				
Group 1	0.4585	-	0.4585**	0.4227
Group 2	0.2531	0.2054	0.4585**	0.4227
<b>Standard Life income</b>				
Group 1	0.3705	-	0.3705**	0.3766
Group 2	0.1328	0.2377	0.3705**	0.3766
<b>Platform 1 accumulation</b>				
Group 1	0.3661	-	0.3661*	0.3248
Group 2	0.1191	0.2470	0.3661*	0.3248
<b>Platform 1 income</b>				
Group 1	0.4553	-	0.4553**	0.4111
Group 2	0.3702	0.0851	0.4553**	0.4111

\* Distribution accumulated on 31 December 2015

\*\* Distribution payable on 31 March 2016



# Standard Life Investment Company III Interim Report & Financial Statements

## MyFolio Multi-Manager Income V Fund

Treatment by Corporate Shareholders

Corporate shareholders should account for the current period's dividends shown in the distribution tables as follows:

	<b>1st Interim Dividend Distribution</b>	<b>2nd Interim Dividend Distribution</b>
Treat as a UK corporate dividend	100.00%	87.71%
Treat as unfranked investment income*	0.00%	12.29%

\*After deduction of income tax at the lower rate. This amount is liable to corporation tax.

# Standard Life Investment Company III Interim Report & Financial Statements

## Further Information

### Report and Financial Statements

Investors who deal directly with the Authorised Corporate Director (ACD) will receive a report on Standard Life Investment Company III Funds twice a year - this will be a Short Report. The Long report is available from the ACD at the Edinburgh address or online at [standardlifeinvestments.com](http://standardlifeinvestments.com). 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 Funds finishes on 30 June and the interim accounting period finishes on 31 December.

### Prospectus

A Prospectus, which describes each Fund in detail, is available from the ACD at the Edinburgh address or online at [standardlifeinvestments.com](http://standardlifeinvestments.com), by calling 0345 113 6966 or by writing to our Edinburgh address.

### Publication of Prices

The most recent share prices are published daily on our website at: [standardlifeinvestments.com](http://standardlifeinvestments.com).

### 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 or 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 Investor Services on 0345 113 69 66, or download and complete an application form online at [standardlifeinvestments.com](http://standardlifeinvestments.com).

### 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 0345 113 69 66, or in writing to Investor Services.

### UCITS

The Company is constituted as a non-UCITS retail scheme for the purposes of the FCA rules.

### Dilution Adjustment

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

# Standard Life Investment Company III Interim Report & Financial Statements

## 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 revenue 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.

Fund Name	Income Allocation Periods	Income Allocation Dates
Enhanced-Diversification Growth Fund	1 July - 30 June	31 October
MyFolio Managed I Fund	1 July - 30 June	31 October
MyFolio Managed II Fund	1 July - 30 June	31 October
MyFolio Managed III Fund	1 July - 30 June	31 October
MyFolio Managed IV Fund	1 July - 30 June	31 October
MyFolio Managed V Fund	1 July - 30 June	31 October
MyFolio Market I Fund	1 July - 30 June	31 October
MyFolio Market II Fund	1 July - 30 June	31 October
MyFolio Market III Fund	1 July - 30 June	31 October
MyFolio Market IV Fund	1 July - 30 June	31 October
MyFolio Market V Fund	1 July - 30 June	31 October
MyFolio Multi-Manager I Fund	1 July - 30 June	31 October
MyFolio Multi-Manager II Fund	1 July - 30 June	31 October
MyFolio Multi-Manager III Fund	1 July - 30 June	31 October
MyFolio Multi-Manager IV Fund	1 July - 30 June	31 October
MyFolio Multi-Manager V Fund	1 July - 30 June	31 October
MyFolio Managed Income I Fund	1 July - 30 September (interim)	31 January (interim)
MyFolio Managed Income II Fund	1 October - 31 December (interim)	30 April (interim)
MyFolio Managed Income III Fund	1 January - 31 March (interim)	31 July (interim)
MyFolio Managed Income IV Fund	1 April - 30 June (final)	31 October
MyFolio Managed Income V Fund		
MyFolio Multi-Manager Income I Fund	1 July - 30 September (interim)	31 January (interim)
MyFolio Multi-Manager Income II Fund	1 October - 31 December (interim)	30 April (interim)
MyFolio Multi-Manager Income III Fund	1 January - 31 March (interim)	31 July (interim)
MyFolio Multi-Manager Income IV Fund	1 April - 30 June (final)	31 October
MyFolio Multi-Manager Income V Fund		









Standard Life Investments Limited is registered in Scotland (SC123321) at 1 George Street, Edinburgh EH2 2LL.  
Standard Life Investments Limited is authorised and regulated by the Financial Conduct Authority.  
Calls may be monitored and/or recorded to protect both you and us and help with our training.  
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