

LOWLAND INVESTMENT COMPANY PLC

HALF YEAR REPORT (unaudited) for the six months ended 31 March 2014

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2014

| Key Data | (Unaudited) Half year ended 31 March 2014 | (Unaudited) Half year ended 31 March 2013 | (Audited) Year ended 30 September 2013 |
|--|---|---|--|
| Net asset value per ordinary share (including income) | 1401.8p | 1182.6p | 1306.9p |
| Share price | 1425.0p | 1164.0p | 1325.0p |
| Market capitalisation | £383.2m | £307.5m | £352.0m |
| Net revenue return per ordinary share | 13.1p | 9.0p | 36.7p |
| Net dividends per ordinary share | | | |
| - First Interim | 9.0p | 8.0p | 8.0p |
| - Second Interim | 9.0p | 8.5p | 8.5p |
| - Third Interim | - | - | 8.5p |
| - Final | - | - | 9.0p |
| Number of shares in issue | 26,892,427 | 26,417,427 | 26,567,427 |

Interim Management Report Chairman's Statement

Over the six months under review, Lowland's net asset value total return was 8.7%, compared with the FTSE All-Share Index total return of 4.8%. The longer term performance is illustrated in the chart below.

| | 3 years | 5 years | 10 years |
|-----------------------------------|----------------|----------------|-----------------|
| Net Asset Value Total Return | 71.6% | 303.0% | 237.6% |
| FTSE All-Share Index Total Return | 28.8% | 113.3% | 128.7% |

Lowland's outperformance has been the result of particularly strong share price performance from some of the medium and small sized stocks in the portfolio, this has been augmented by the Company's use of gearing.

At a sector level the large exposure to industrial companies has been beneficial with some of the manufacturing companies being the most significant contributors over the longer term. The weighting to insurers has also helped: not only has the capital performance over the long term been good but they have substantially increased their dividends. Hiscox, for instance, has paid a large special dividend for the past two years.

Dividend

Given the increase in the underlying dividends paid by the companies in the portfolio, the Board has increased the quarterly dividend to 9.0p. The first two quarterly dividends paid this year have come to 18.0p, compared with 16.5p for the corresponding period last year. This is an increase of 9.1%.

Activity

The share prices of some of the medium sized companies in the portfolio have appreciated significantly over the last five years. This performance has been justified by the companies' improving operational performance. However, for portfolio balance reasons some of these holdings have been scaled back during the period. An example would be Senior which we have reduced into share price strength, and the money raised has been redeployed to buy higher yielding shares in large companies such as HSBC and in some new issues which will pay relatively high dividends, such as McColl's.

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2014

Interim Management Report (continued)

Share Issuance and Share Buy Backs

During the six months under review we issued 325,000 new shares at an average premium to net asset value of 4.4%. No shares were bought back. The Board will only issue if there is unfulfilled strong demand. It is not a prime objective of the Board to be larger for the sake of becoming a large Trust. The desire is to be an excellent Trust. The Board believes that this objective will not be best served by being a large issuer of shares nor operating a zero discount policy. Five years ago the Trust was on a discount of around 10%. We did not buy back shares, but rather allowed the Portfolio Manager to add stocks to the portfolio, particularly in smaller companies. The rescue rights issues in some of the smaller companies in which we participated have added significant value to the portfolio. If we had been buying back Lowland's own shares the Portfolio Manager may not have been confident enough about Lowland's financial position to participate in small company capital raisings. Our Portfolio Manager believes that having certain firepower is the optimal position to adopt for long term outperformance.

Outlook

From 31 March to 16 May 2014 Lowland's net asset value (including income) has fallen by 1.3% while the FTSE All-Share Index has risen by 3.0%. Some of the medium and smaller company holdings have fallen back as investors rotate funds out of areas where there has been substantial share price appreciation into areas which have been more subdued in share price terms. This may continue for some time; however in the medium term a successful equity investment is one which grows its earnings and dividends over time rather than any particular size or type of company. The focus will remain on finding these winning companies and holding them.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the Annual Report and Financial Statements for the year ended 30 September 2013.

Principal Risks and Uncertainties

The principal risks and uncertainties associated with the Company's business can be divided into various areas:

- Investment objective and policy
- Gearing
- Market movements and performance of the portfolio

Information on these risks is given in the Strategic Report and Notes to the Financial Statements in the Annual Report and Financial Statements. In the view of the Board these principal risks and uncertainties are applicable to the remaining six months of the financial year as they were to the six months under review.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- (a) the set of financial statements for the half year to 31 March 2014 has been prepared in accordance with the Accounting Standards Board's statement "Half-Yearly Financial Reports";
- (b) the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- (c) the Interim Management Report includes a fair review of the information required by the Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

For and on behalf of the Board
Peter Troughton, Chairman

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2014

Income Statement

for the half year ended 31 March 2014

| | (Unaudited) Half year ended 31 March 2014 | | | (Unaudited) Half year ended 31 March 2013 | | | (Audited) Year ended 30 September 2013 | | |
|--|---|----------------------------|----------------|---|----------------------------|----------------|--|----------------------------|----------------|
| | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 | Revenue return £'000 | Capital return £'000 | Total £'000 |
| Gains on investments held at fair value through profit or loss | - | 27,560 | 27,560 | - | 48,626 | 48,626 | - | 78,491 | 78,491 |
| Income from investments held at fair value through profit or loss | 4,910 | - | 4,910 | 3,680 | - | 3,680 | 12,342 | - | 12,342 |
| Other interest receivable and similar income | 135 | - | 135 | 31 | - | 31 | 115 | - | 115 |
| Gross revenue and capital gains | 5,045 | 27,560 | 32,605 | 3,711 | 48,626 | 52,337 | 12,457 | 78,491 | 90,948 |
| Management fee and performance fee (note 2) | (817) | (1,092) | (1,909) | (648) | (896) | (1,544) | (1,362) | (938) | (2,300) |
| Other administrative expenses (note 2) | (267) | - | (267) | (259) | - | (259) | (472) | - | (472) |
| Net return on ordinary activities before finance charges and taxation | 3,961 | 26,468 | 30,429 | 2,804 | 47,730 | 50,534 | 10,623 | 77,553 | 88,176 |
| Finance charges | (433) | - | (433) | (403) | - | (403) | (875) | - | (875) |
| Net return on ordinary activities before taxation | 3,528 | 26,468 | 29,996 | 2,401 | 47,730 | 50,131 | 9,748 | 77,553 | 87,301 |
| Taxation on net return on ordinary activities | (19) | - | (19) | (17) | - | (17) | (38) | - | (38) |
| Net return on ordinary activities after taxation | 3,509 | 26,468 | 29,977 | 2,384 | 47,730 | 50,114 | 9,710 | 77,553 | 87,263 |
| Return per ordinary share – basic and diluted (note 3) | 13.1p | 98.5p | 111.6p | 9.0p | 180.7p | 189.7p | 36.7p | 293.4p | 330.1p |

The total columns of this statement represent the Profit and Loss Account of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the half year ended 31 March 2014. The Company has no recognised gains or losses other than those disclosed in the Income Statement and the Reconciliation of Movements in Shareholders' Funds.

LOWLAND INVESTMENT COMPANY PLC**Unaudited Results for the Half Year Ended 31 March 2014****Reconciliation of Movements in Shareholders' Funds**

For the half year ended 31 March 2014

| | (Unaudited) | | | | | |
|--|--|--------------------------------------|---|---------------------------------------|-----------------------------|----------------|
| | Half year ended 31 March 2014 | | | | | |
| | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 1 October 2013 | 6,642 | 55,514 | 1,007 | 275,464 | 8,575 | 347,202 |
| Net return on ordinary activities after taxation | - | - | - | 26,468 | 3,509 | 29,977 |
| Share issue proceeds | 81 | 4,409 | - | - | - | 4,490 |
| Third interim dividend (8.5p) for the year ended 30 September 2013 | - | - | - | - | (2,267) | (2,267) |
| Final dividend (9.0p) for the year ended 30 September 2013 | - | - | - | - | (2,420) | (2,420) |
| At 31 March 2014 | 6,723 | 59,923 | 1,007 | 301,932 | 7,397 | 376,982 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| | (Unaudited) | | | | | |
| | Half year ended 31 March 2013 | | | | | |
| | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 1 October 2012 | 6,604 | 53,561 | 1,007 | 197,911 | 7,318 | 266,401 |
| Net return on ordinary activities after taxation | - | - | - | 47,730 | 2,384 | 50,114 |
| Second interim dividend (7.5p) for the year ended 30 September 2012 | - | - | - | - | (1,981) | (1,981) |
| Final dividend (8.0p) for the year ended 30 September 2012 | - | - | - | - | (2,113) | (2,113) |
| At 31 March 2013 | 6,604 | 53,561 | 1,007 | 245,641 | 5,608 | 312,421 |
| | ===== | ===== | ===== | ===== | ===== | ===== |
| | (Audited) | | | | | |
| | Year ended 30 September 2013 | | | | | |
| | Called up share capital £'000 | Share premium account £'000 | Capital redemption reserve £'000 | Other capital reserves £'000 | Revenue reserve £'000 | Total £'000 |
| At 1 October 2012 | 6,604 | 53,561 | 1,007 | 197,911 | 7,318 | 266,401 |
| Net return on ordinary activities after taxation | - | - | - | 77,553 | 9,710 | 87,263 |
| Share issue proceeds | 38 | 1,953 | - | - | - | 1,991 |
| Second interim dividend (7.5p) for the year ended 30 September 2012 | - | - | - | - | (1,981) | (1,981) |
| Final dividend (8.0p) for the year ended 30 September 2012 | - | - | - | - | (2,113) | (2,113) |
| First interim dividend (8.0p) for the year ended 30 September 2013 | - | - | - | - | (2,113) | (2,113) |
| Second interim dividend (8.5p) for the year ended 30 September 2013 | - | - | - | - | (2,246) | (2,246) |
| At 30 September 2013 | 6,642 | 55,514 | 1,007 | 275,464 | 8,575 | 347,202 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

Purchase transaction costs for the half year ended 31 March 2014 were £171,000 (half year ended 31 March 2013: £104,000; year ended 30 September 2013: £264,000). Sale transaction costs for the half year ended 31 March 2014 were £29,000 (half year ended 31 March 2013: £24,000; year ended 30 September 2013: £50,000). These comprise mainly stamp duty and commission.

LOWLAND INVESTMENT COMPANY PLC**Unaudited Results for the Half Year Ended 31 March 2014****Balance Sheet**

as at 31 March 2014

| | (Unaudited) 31 March 2014 £'000 | (Unaudited) 31 March 2013 £'000 | (Audited) 30 September 2013 £'000 |
|---|--|--|--|
| Fixed assets | | | |
| Investments held at fair value through profit or loss | 425,627 | 354,684 | 395,422 |
| Current assets | | | |
| Debtors | 1,974 | 1,130 | 1,725 |
| Cash at bank and on deposit | 351 | 474 | 1,310 |
| | 2,325 | 1,604 | 3,035 |
| Creditors: amounts falling due within one year | (50,970) | (43,867) | (51,255) |
| Net current liabilities | (48,645) | (42,263) | (48,220) |
| Total net assets | 376,982 | 312,421 | 347,202 |
| Capital and reserves | | | |
| Called up share capital | 6,723 | 6,604 | 6,642 |
| Share premium account | 59,923 | 53,561 | 55,514 |
| Capital redemption reserve | 1,007 | 1,007 | 1,007 |
| Other capital reserves | 301,932 | 245,641 | 275,464 |
| Revenue reserve | 7,397 | 5,608 | 8,575 |
| Total equity shareholders' funds | 376,982 | 312,421 | 347,202 |
| Net asset value per ordinary share (note 4) | 1401.8p | 1182.6p | 1306.9p |

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2014

Cash Flow Statement

for the half year ended 31 March 2014

| | (Unaudited) Half year ended 31 March 2014 £'000 | (Unaudited) Half year ended 31 March 2013 £'000 | (Audited) Year ended 30 September 2013 £'000 |
|---|---|---|--|
| Net cash inflow from operating activities | 3,184 | 2,946 | 10,199 |
| Net cash outflow from servicing of finance | (454) | (465) | (941) |
| Net tax recovered | 5 | - | 26 |
| Net cash outflow from financial investments | (2,632) | (4,292) | (15,183) |
| Equity dividends paid | (4,687) | (4,094) | (8,453) |
| | ----- | ----- | ----- |
| Net cash outflow before financing | (4,584) | (5,905) | (14,352) |
| Net cash inflow from financing | 3,638 | 4,211 | 13,476 |
| | ----- | ----- | ----- |
| Decrease in cash | (946) | (1,694) | (876) |
| | ===== | ===== | ===== |
| Reconciliation of operating revenue to net cash flow from operating activities | | | |
| Total return before finance charges and taxation | 30,429 | 50,534 | 88,176 |
| Less capital gain before finance charges and taxation | (26,468) | (47,730) | (77,553) |
| | ----- | ----- | ----- |
| Net revenue return before finance charges and taxation | 3,961 | 2,804 | 10,623 |
| (Increase) /decrease in accrued income | (233) | 773 | 153 |
| Increase in creditors | 588 | 285 | 403 |
| Expenses charged to capital | (1,092) | (896) | (938) |
| Income tax suffered on property income dividends | (1) | - | (1) |
| Overseas withholding tax | (39) | (20) | (41) |
| | ----- | ----- | ----- |
| Net cash inflow from operating activities | 3,184 | 2,946 | 10,199 |
| | ===== | ===== | ===== |
| Reconciliation of net cash flow to movement in net debt | | | |
| Decrease in cash as above | (946) | (1,694) | (876) |
| Cash outflow / (inflow) from movement in loans | 852 | (4,211) | (11,485) |
| Exchange movements | (13) | (9) | 9 |
| | ----- | ----- | ----- |
| | (107) | (5,914) | (12,352) |
| | ----- | ----- | ----- |
| Net debt at the beginning of the period | (48,434) | (36,082) | (36,082) |
| | ----- | ----- | ----- |
| Net debt at the end of the period | (48,541) | (41,996) | (48,434) |
| | ===== | ===== | ===== |
| Represented by: | | | |
| Cash at bank less bank overdrafts | 351 | 474 | 1,310 |
| Debt falling due within one year | (48,892) | (42,470) | (49,744) |
| | ----- | ----- | ----- |
| | (48,541) | (41,996) | (48,434) |
| | ===== | ===== | ===== |

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2014

Notes to the Financial Statements

1. Accounting policies

The financial statements have been prepared using the same accounting policies as set out in the Company's Report and Financial Statements for the year ended 30 September 2013. The financial statements have not been audited or reviewed by the Company's auditors.

The taxation charge for each period is based on overseas tax suffered.

2. Expenses

All expenses with the exception of the performance fee are charged wholly to revenue. Expenses which are incidental to the purchase or sale of an investment are included in the cost or deducted from the proceeds of sale of the investment. A provision of £1,092,000 (31 March 2013: £896,000; 30 September 2013: £938,000) has been made for a performance fee based on Lowland's performance relative to the FTSE All-Share Index (Lowland's benchmark) over the thirty months to 31 March 2014. The actual performance fee payable will be calculated based on the actual relative performance for the thirty-six months to 30 September 2014 and will be equal to 15% of any outperformance (on a total return basis) of the FTSE All-Share Index by more than 10% (the "hurdle rate"). The total of the management and performance fees are capped at 0.75% of average net assets for the year. The provision, which is the maximum that could be charged under the cap arrangements, has been charged to the capital column of the income statement whereas the management fee is charged to the revenue column.

3. Return per ordinary share – basic and diluted

| | (Unaudited) Half year ended 31 March 2014 £'000 | (Unaudited) Half year ended 31 March 2013 £'000 | (Audited) Year ended 30 September 2013 £'000 |
|---|---|---|--|
| The return per ordinary share is based on the following figures: | | | |
| Revenue return | 3,509 | 2,384 | 9,710 |
| Capital return | 26,468 | 47,730 | 77,553 |
| | ----- | ----- | ----- |
| Total | 29,977 | 50,114 | 87,263 |
| | ===== | ===== | ===== |
| | | | |
| Weighted average number of ordinary shares in issue for each period | 26,859,185 | 26,417,427 | 26,433,043 |
| | | | |
| Revenue return per ordinary share | 13.1p | 9.0p | 36.7p |
| Capital return per ordinary share | 98.5p | 180.7p | 293.4p |
| | ----- | ----- | ----- |
| Total | 111.6p | 189.7p | 330.1p |
| | ===== | ===== | ===== |

The Company does not have any dilutive securities; therefore basic and diluted returns per share are the same.

4. Net asset value per ordinary share

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £376,982,000 (31 March 2013: £312,421,000; 30 September 2013: £347,202,000) and on 26,892,427 ordinary shares (31 March 2013: 26,417,427; 30 September 2013: 26,567,427) being the number of ordinary shares in issue at the end of each period.

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2014

5. Interim dividend

On 30 April 2014, a first interim dividend of 9.0p was paid in respect of the year ended 30 September 2014. A second interim dividend of 9.0p per ordinary share has been declared and will be paid on 31 July 2014 to shareholders on the register of members at the close of business on 4 July 2014. The ex-dividend date is 2 July 2014. Based on the number of shares in issue on 19 May 2014, the cost of the dividend will be £2,420,000.

6. Going concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

7. Comparative information

The financial information contained in this half year report does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 31 March 2014 and 31 March 2013 have not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 30 September 2013 have been extracted from the latest audited financial statements of the Company. These financial statements have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

8. General Information

a) Company Objective

The Company aims to give shareholders a higher than average return with growth of both capital and income over the medium to long term.

b) Company Status

The Company is a UK domiciled investment trust company, registered number 670489.

The SEDOL/ISIN number is GB0005368062.

The London Stock Exchange (EPIC) Code is LWI.

The Company's Global Intermediary Identification Number (GIIN) is 2KBHLK.99999.SL.826.

c) Directors, Secretary and Registered Office

The Directors of the Company are Peter Troughton (Chairman), Rupert Barclay, Karl Sternberg, Kevin Carter and Robert Robertson.

The Corporate Secretary is Henderson Secretarial Services Limited, represented by Wendy King FCIS. The registered office is 201 Bishopsgate, London EC2M 3AE.

d) Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.lowlandinvestment.com.

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2014

| Investments | Sector | Market Value £'000 | % of Portfolio |
|--------------------------------|--|-----------------------|-------------------|
| Senior | <i>Aerospace & Defence</i> | 16,605 | 3.9 |
| Royal Dutch Shell | <i>Oil & Gas Producers</i> | 14,628 | 3.4 |
| BP | <i>Oil & Gas Producers</i> | 10,560 | 2.5 |
| Hiscox | <i>Non-life Insurance</i> | 9,621 | 2.3 |
| GKN | <i>Automobiles & Parts</i> | 8,938 | 2.1 |
| GlaxoSmithKline | <i>Pharmaceuticals & Biotechnology</i> | 8,753 | 2.0 |
| Rio Tinto | <i>Mining</i> | 8,344 | 2.0 |
| Amlin | <i>Non-life Insurance</i> | 7,881 | 1.9 |
| AstraZeneca | <i>Pharmaceuticals & Biotechnology</i> | 7,753 | 1.8 |
| Phoenix | <i>Life Insurance</i> | 7,682 | 1.8 |
| Top 10 holdings | | 100,765 | 23.7 |
| Velocys † | <i>Chemicals</i> | 7,649 | 1.8 |
| FBD * | <i>Non-life Insurance</i> | 7,488 | 1.7 |
| Provident Financial | <i>Financial Services</i> | 7,436 | 1.7 |
| International Personal Finance | <i>Financial Services</i> | 7,240 | 1.7 |
| Hill & Smith | <i>Industrial Engineering</i> | 7,155 | 1.7 |
| Aviva | <i>Life Insurance</i> | 7,155 | 1.7 |
| Weir | <i>Industrial Engineering</i> | 6,340 | 1.5 |
| Carclo | <i>Chemicals</i> | 6,326 | 1.5 |
| Elementis | <i>Chemicals</i> | 6,303 | 1.5 |
| Infinion Technologies * | <i>Technology Hardware & Equipment</i> | 6,087 | 1.4 |
| Top 20 holdings | | 169,944 | 39.9 |
| Interserve | <i>Support Services</i> | 5,840 | 1.4 |
| Scapa † | <i>Chemicals</i> | 5,813 | 1.4 |
| Renold | <i>Industrial Engineering</i> | 5,536 | 1.3 |
| Greene King | <i>Travel & Leisure</i> | 5,418 | 1.3 |
| RPC | <i>General Industrials</i> | 5,368 | 1.3 |
| HSBC | <i>Banks</i> | 5,316 | 1.2 |
| Clarkson | <i>Industrial Transportation</i> | 5,247 | 1.2 |
| Diageo | <i>Beverages</i> | 5,173 | 1.2 |
| Canfor Pulp * | <i>Forestry & Paper</i> | 5,104 | 1.2 |
| Croda | <i>Chemicals</i> | 5,092 | 1.2 |
| Top 30 holdings | | 223,851 | 52.6 |
| DS Smith | <i>General Industrials</i> | 4,868 | 1.2 |
| Balfour Beatty | <i>Construction & Materials</i> | 4,815 | 1.1 |
| IMI | <i>Industrial Engineering</i> | 4,790 | 1.1 |
| St Modwen | <i>Real Estate</i> | 4,766 | 1.1 |
| IP Group | <i>Pharmaceuticals & Biotechnology</i> | 4,685 | 1.1 |
| Castings | <i>Industrial Engineering</i> | 4,575 | 1.1 |
| Bellway | <i>Household Goods & Home Construction</i> | 4,565 | 1.1 |
| Avon Rubber | <i>Aerospace & Defence</i> | 4,330 | 1.0 |
| Findel | <i>General Retailers</i> | 4,312 | 1.0 |
| Low & Bonar | <i>Construction & Materials</i> | 4,238 | 1.0 |
| Top 40 holdings | | 269,795 | 63.4 |

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2014

| Investments | Sector | Market Value £'000 | % of Portfolio |
|---------------------------|-----------------------------------|-----------------------|-------------------|
| Daily Mail & General | Media | 4,130 | 1.0 |
| Reed Elsevier | Media | 4,122 | 1.0 |
| Johnson Service † | Support Services | 3,999 | 0.9 |
| Consort Medical | Health Care Equipment & Services | 3,982 | 0.9 |
| Greencore | Food Producers | 3,943 | 0.9 |
| Morgan Advanced Materials | Electronic & Electrical Equipment | 3,939 | 0.9 |
| BAE Systems | Aerospace & Defence | 3,935 | 0.9 |
| Marstons | Travel & Leisure | 3,780 | 0.9 |
| Gibson Energy * | Oil & Gas Producers | 3,777 | 0.9 |
| Standard Life | Life Insurance | 3,775 | 0.9 |
| Top 50 holdings | | 309,177 | 72.6 |
| Rest of portfolio | | 116,450 | 27.4 |
| Total Portfolio | | 425,627 | 100.0 |

† AIM Stocks

* Overseas Quoted Stocks (Canada, Ireland and Netherlands)

Attribution Analysis

The table below shows the top five active contributors to and the bottom five detractors from the Company's performance.

| Top five contributors to performance | 6 month absolute return % | Contribution to return % | Top five detractors from performance | 6 month absolute return % | Contribution to return % |
|--------------------------------------|---------------------------|--------------------------|--------------------------------------|---------------------------|--------------------------|
| Senior | +14.3 | +0.54 | Carclo | -53.4 | -1.77 |
| FBD | +25.1 | +0.50 | International Personal Finance | -16.1 | -0.33 |
| Renold | +48.7 | +0.48 | Providence Resources | -41.9 | -0.26 |
| Greencore | +89.7 | +0.46 | Phoenix Group | -11.5 | -0.24 |
| RPC | +39.9 | +0.45 | Tesco | -16.6 | -0.14 |

| Sector Analysis | % as at 31 March 2014 | | % as at 30 September 2013 | |
|--------------------|-----------------------|--------------|---------------------------|-------|
| | Company | Index | Company | Index |
| Industrials | 26.4 | 10.5 | 27.9 | 9.6 |
| Financials | 23.0 | 24.1 | 24.8 | 23.1 |
| Basic Materials | 12.7 | 8.2 | 14.1 | 8.8 |
| Consumer Services | 9.3 | 10.9 | 8.5 | 9.9 |
| Oil & Gas | 8.8 | 14.6 | 7.4 | 15.3 |
| Consumer Goods | 8.7 | 13.8 | 7.4 | 14.5 |
| Health Care | 5.2 | 7.8 | 4.1 | 7.2 |
| Utilities | 2.6 | 3.8 | 2.6 | 3.8 |
| Telecommunications | 1.7 | 4.8 | 1.5 | 6.2 |
| Technology | 1.6 | 1.5 | 1.5 | 1.6 |
| Fixed Interest | 0.0 | 0.0 | 0.2 | 0.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this document.