

LOWLAND INVESTMENT COMPANY PLC

HALF YEAR REPORT

(unaudited)

for the six months ended 31 March 2016

LOWLAND INVESTMENT COMPANY PLC

Unaudited Results for the Half Year Ended 31 March 2016

This announcement contains regulated information

Key Data for the six months to 31 March 2016

Net Asset Value Total Return	+3.8%
Benchmark Total Return	+3.5%
Growth in Dividend	+10%
Dividend	22.0p

Financial Highlights

	Half Year Ended 31 Mar 2016	Half Year Ended 31 Mar 2015	Year Ended 30 Sept 2015
NAV Per Ordinary Share	1,333p	1,401p	1,318p
Share Price	1,290p	1,295p	1,287p
Market Capitalisation	£349m	£348m	£346m
Dividend Per Share	22.0p	20.0p	41.0p
Ongoing Charge Including Performance Fee	0.7%	0.8%	0.9%
Ongoing Charge Excluding Performance Fee	0.6%	0.6%	0.6%
Dividend Yield ¹	3.3%	2.9%	3.2%
Gearing	16.7%	15.3%	16.8%

¹ Based on dividends paid in respect of the previous twelve months

Total Return Performance (including dividends reinvested and excluding transaction costs)

	6 months %	1 year %	3 years %	5 years %	10 years %
Net Asset Value	+3.8	-1.9	+22.5	+73.0	+104.3
Benchmark ¹	+3.5	-3.9	+11.4	+31.9	+58.3
Share Price ²	+1.9	+2.7	+20.6	+81.9	+102.4

¹ FTSE All Share Index

² Using Mid-Market Price

Sources: Morningstar, Funddata, Datastream and Henderson.

Historical Record

Year to 30 September	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	As at 31 Mar 2016
Net Assets ¹ (£m)	222	276	178	174	204	214	266	347	362	355	360
Per Ordinary Share											
Net Asset Value	916p	1,044p	675p	657p	770p	811p	1,008p	1,307p	1,346p	1,318p	1,333p
Share Price	896p	1,091p	625p	610p	700p	763p	992p	1,325p	1,355p	1,287p	1,290p
Net Revenue	20.8p	27.9p	33.0p	22.7p	22.5p	28.8p	31.1p	36.7p	39.4p	46.4p	13.7p
Net Dividends Paid	20.8p	23.5p	26.5p	26.5p	27.0p	28.0p	30.5p	34.0p	37.0p	41.0p	22.0p²

¹ Attributable to Ordinary Shares

² First Interim Dividend of 11.0p per Ordinary Share paid on 29 April 2016 and the Second Interim Dividend of 11.0p per Ordinary Share that will be paid on 29 July 2016

Interim Management Report

Chairman's Statement

Review

Over the six months under review Lowland's total return and that of our benchmark, the FTSE All Share Index (the 'Index'), were both virtually unchanged with Lowland up 3.8% and the Index up 3.5%. Over the longer term Lowland has outperformed the Index handsomely.

Although in capital terms there has been little progress, it has been a period of volatility. Some investors have worried that the global economy may be slowing; others are worried that US interest rates need to rise to counter the build-up of inflationary pressures. They cannot both be right.

Meanwhile the companies we hold in the portfolio have made good progress overall, as evidenced by their levels of cash generation.

Dividend

Lowland's earnings per share in the six months under review was 13.7p which compares with 15.3p last year. The fall is the result of lower special dividend income being received in the period. The earnings per share excluding special dividends was 12.6p versus 12.1p. The Company paid a first interim dividend of 11.0p at the end of April, and now declares a second interim of the same amount, payable at the end of July. Interim dividends in respect of the first half therefore amount to 22.0p, an increase of 10% over the corresponding period last year. Barring unforeseen circumstances, the Board's intention is to pay a total dividend for this year of 45.0p up from 41.0p last year, an increase of 9.8%. The dividend has more than doubled over the last ten years.

Portfolio Activity

During the period, the Fund Manager made a number of purchases in a diverse selection of companies. These include Legal & General, Headlam and Istock. What these companies have in common is excellence in their operational fields and reasonable valuations. We would expect them to be increasing their dividends from a starting yield that is higher than Lowland's cost of borrowings, which immediately enhances the revenue account.

We have also purchased shares in certain companies which do not currently pay dividends such as Standard Chartered. We believe that radical management action by these companies will, over time, result in a profits recovery and a return to the dividend list. These companies have a very attractive potential dividend yield at the price we have paid. We also increased our holding in Shell, as it is likely, given the capacity cutbacks that the oil price will rise at some stage. The reduction in the Shell's cost base, combined with a higher oil price, will lead to a degree of margin improvement that may pleasantly surprise investors.

These purchases were financed by reducing holdings in Hill & Smith and Provident Financial, where the latter's valuation after the share price appreciation more closely reflects the value of the business. The takeover for cash of Amlin by Mitsui resulted in the largest individual disposal during the period.

Investment Management Agreement

The Company has agreed a change to the terms of the Investment Management Agreement with Henderson Investment Funds Limited, in terms of which no performance fee will be paid if there has been a decline in the Company's net asset value over the three year period over which performance is measured. Previously performance fees would have been paid if the Company outperformed its benchmark, even if the net asset value declined in absolute terms. The change reflects investors' concerns at performance fees being paid in periods of absolute decline in net asset value.

Board Succession

In agreement with the Nominations Committee of the Board I have decided to retire at the Annual General Meeting in January 2017. I am delighted to report that the Board has approved the appointment of Mr Robbie Robertson, as my successor. We have begun a process to appoint another non-executive to the Board, with a view to the appointee succeeding Mr Robertson as Chair of the Audit Committee.

Outlook

The economy is growing at reasonable pace. The US economy is expected to maintain its growth rate and Europe appears to be returning to modest growth after stimulation by the European Central Bank. This is a decent background for equity investment. Growth is good, but subdued enough to delay interest rate rises.

The benefits of the fall in the oil price to the headline annual inflation rate will soon diminish. At the time of writing, the uncertainties surrounding the Brexit vote are also a concern. We are conscious that much of British industry is experiencing challenging conditions but overall we remain comfortable with our overweight positions in the Industrials sector. The UK companies we hold in the portfolio are growing as a result of the competitiveness of their products.

Good profit growth is leading to cash generation and pleasing dividend progression. We retain a reasonable level of gearing, which at the period end was 16.7%.

Peter Troughton CBE
Chairman
24 May 2016

Performance as at 31 March 2016

The tables below show the top five contributors to and the bottom five detractors from the Company's total return performance.

Top 5 Contributors to Total Return Performance

Company	Sector	Contribution %
Glencore	Mining	+0.8
Irish Continental Group	Travel & Leisure	+0.5
Anglo American	Mining	+0.5
RPC	General Industrials	+0.5
Hill & Smith	Industrial Engineering	+0.4

Bottom 5 Detractors to Total Return Performance

Company	Sector	Contribution %
Renold	Industrial Engineering	-1.0
Velocys	Chemicals	-0.4
St Modwen Properties	Real Estate	-0.4
Standard Chartered	Banks	-0.3
Interserve	Support Services	-0.3

Sector Analysis	% as at 31 March 2016		% as at 30 September 2015	
	Company	Benchmark	Company	Benchmark
Industrials	26.4	10.7	28.4	10.1
Financials	25.3	23.9	27.0	26.3
Basic Materials	14.0	5.0	13.6	4.9
Consumer Services	11.3	12.9	10.3	12.9
Oil & Gas	7.4	10.6	5.8	10.4
Consumer Goods	5.2	17.6	5.5	16.3
Health Care	4.4	8.5	3.9	8.5
Utilities	2.4	4.0	2.4	3.9
Telecommunications	2.4	5.2	2.3	5.1
Technology	1.2	1.6	0.8	1.6
Total	100.0	100.0	100.0	100.0
	=====	=====	=====	=====

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which has materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the Annual Report for the year ended 30 September 2015.

Principal Risks and Uncertainties

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

- Investment and Strategy;
- Market;
- Financial;
- Gearing;
- Operational; and
- Accounting, Legal and Regulatory.

Information on these risks is given in the Annual Report for the year ended 30 September 2015. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

Statement of Directors' Responsibilities

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

- (a) the set of financial statements for the half year to 31 March 2016 has been prepared in accordance with "FRS 104 Interim Financial Reporting";
- (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 CBE

Chairman

24 May 2016

Condensed Income Statement

	(Unaudited) Half-year ended 31 March 2016			(Unaudited) Half-year ended 31 March 2015			(Audited) Year-ended 30 September 2015		
	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/(losses) on investments held at fair value through profit or loss	-	6,086	6,086	-	16,831	16,831	-	(8,387)	(8,387)
Income from investments	5,274	-	5,274	5,667	-	5,667	15,542	-	15,542
Other interest receivable and similar income	58	-	58	31	-	31	105	-	105
Gross revenue and capital gains/ (losses)	5,332	6,086	11,418	5,698	16,831	22,529	15,647	(8,387)	7,260
Management fee and performance fee (note 2)	(899)	(253)	(1,152)	(913)	(928)	(1,841)	(1,819)	(908)	(2,727)
Other administrative expenses (note 2)	(240)	-	(240)	(272)	-	(272)	(484)	-	(484)
Net return/(loss) on ordinary activities before finance charges and taxation	4,193	5,833	10,026	4,513	15,903	20,416	13,344	(9,295)	4,049
Finance charges	(439)	-	(439)	(386)	-	(386)	(806)	-	(806)
Net return/(loss) on ordinary activities before taxation	3,754	5,833	9,587	4,127	15,903	20,030	12,538	(9,295)	3,243
Taxation on net return on ordinary activities	(51)	-	(51)	(24)	-	(24)	(48)	-	(48)
Net return/(loss) on ordinary activities after taxation	3,703	5,833	9,536	4,103	15,903	20,006	12,490	(9,295)	3,195
Return/(loss) per ordinary share – basic and diluted (note 4)	13.7p	21.7p	35.4p	15.3p	59.1p	74.4p	46.4p	(34.6)p	11.8p

The total columns of this statement represent the Income Statement of the Company, prepared in accordance with FRS 104. The revenue and capital columns are supplementary to this and are published under guidance from the Association of Investment Companies.

The Company has no recognised gains or losses other than those disclosed in the Income Statement and Statement of Changes in Equity.

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The accompanying notes are an integral part of the condensed financial statements.

Condensed Statement of Changes in Equity

	(Unaudited)					
	Half-year ended 31 March 2016					
	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 2015	6,723	59,923	1,007	275,268	11,642	354,563
Net return on ordinary activities after taxation	-	-	-	5,833	3,703	9,536
Third interim dividend (10.0p) for the year ended 30 September 2015	-	-	-	-	(2,689)	(2,689)
Final dividend (11.0p) for the year ended 30 September 2015	-	-	-	-	(2,972)	(2,972)
Issue of new ordinary shares	32	1,693	-	-	-	1,725
At 31 March 2016	6,755	61,616	1,007	281,101	9,684	360,163
	=====	=====	=====	=====	=====	=====
	(Unaudited)					
	Half-year ended 31 March 2015					
	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 2014	6,723	59,923	1,007	284,563	9,640	361,856
Net return on ordinary activities after taxation	-	-	-	15,903	4,103	20,006
Third interim dividend (9.0p) for the year ended 30 September 2014	-	-	-	-	(2,420)	(2,420)
Final dividend (10.0p) for the year ended 30 September 2014	-	-	-	-	(2,689)	(2,689)
At 31 March 2015	6,723	59,923	1,007	300,466	8,634	376,753
	=====	=====	=====	=====	=====	=====
	(Audited)					
	Year-ended 30 September 2015					
	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 2014	6,723	59,923	1,007	284,563	9,640	361,856
Net return on ordinary activities after taxation	-	-	-	(9,295)	12,490	3,195
Third interim dividend (9.0p) for the year ended 30 September 2014	-	-	-	-	(2,421)	(2,421)
Final dividend (10.0p) for the year ended 30 September 2014	-	-	-	-	(2,689)	(2,689)
First interim dividend (10.0p) for the year ended 30 September 2015	-	-	-	-	(2,689)	(2,689)
Second interim dividend (10.0p) for the year ended 30 September 2015	-	-	-	-	(2,689)	(2,689)
At 30 September 2015	6,723	59,923	1,007	275,268	11,642	354,563
	=====	=====	=====	=====	=====	=====

The accompanying notes form an integral part of these financial statements.

Condensed Statement of Financial Position

	(Unaudited) Half-year ended 31 March 2016 £'000	(Unaudited) Half-year ended 31 March 2015 £'000	(Audited) Year-ended 30 September 2015 £'000
Fixed assets			
Investments held at fair value through profit or loss (note 5)	420,312	434,480	414,132
	-----	-----	-----
Current assets			
Debtors	2,430	2,779	3,589
Cash at bank	1,432	1,286	669
	-----	-----	-----
	3,862	4,065	4,258
Creditors: amounts falling due within one year	(64,011)	(61,792)	(63,827)
	-----	-----	-----
Net current liabilities	(60,149)	(57,727)	(59,569)
	-----	-----	-----
Net assets	360,163	376,753	354,563
	=====	=====	=====
Capital and reserves			
Called up share capital	6,755	6,723	6,723
Share premium account	61,616	59,923	59,923
Capital redemption reserve	1,007	1,007	1,007
Other capital reserves	281,101	300,466	275,268
Revenue reserve	9,684	8,634	11,642
	-----	-----	-----
Total shareholders' funds	360,163	376,753	354,563
	=====	=====	=====
Net asset value per ordinary share – basic and diluted (note 7)	1,333.0p	1,401.0p	1,318.4p
	=====	=====	=====

The accompanying notes form an integral part of these financial statements.

Condensed Statement of Cash Flows

	(Unaudited) Half-year ended 31 March 2016 £'000	(Unaudited and restated*) Half-year ended 31 March 2015 £'000	(Audited and restated*) Year-ended 30 September 2015 £'000
Cash flows from operating activities			
Net return on ordinary activities before taxation	9,587	20,030	3,243
Add back: finance costs	439	386	806
(Less)/add: (gains)/losses on investments held at fair value through profit or loss	(6,086)	(16,831)	8,387
Withholding tax on dividends deducted at source	(55)	(24)	(44)
Decrease/(increase) in debtors	(228)	(710)	99
(Decrease)/increase in creditors	(99)	380	(160)
Net cash inflow from operating activities	3,558	3,231	12,331
Cash flows from investing activities			
Purchase of investments	(29,701)	(31,217)	(68,100)
Sale of investments	30,992	23,247	53,569
Net cash inflow/ (outflow) from investing activities	1,291	(7,970)	(14,531)
Cash flows from financing activities			
Equity dividends paid (net of refund of unclaimed distributions and reclaimed distributions)	(5,661)	(5,109)	(10,488)
Proceeds from issue of ordinary shares	1,725	-	-
Net loans drawn down	270	9,794	12,408
Interest paid	(430)	(431)	(809)
Net cash (outflow)/inflow from financing activities	(4,096)	4,254	1,111
Net increase/(decrease) in cash and cash equivalent	753	(485)	(1,089)
Cash and cash equivalents at start of year	669	1,756	1,756
Effect of foreign exchange rates	10	15	2
Cash and cash equivalents at end of year	1,432	1,286	669
Comprising:			
Cash at bank	1,432	1,286	669
	-----	-----	-----
	1,432	1,286	669
	=====	=====	=====

*See Note 1

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

The half-year financial statements cover the period from 1 October 2015 to 31 March 2016 and have not been audited or reviewed by the Company's auditor.

1. Accounting policies – basis of preparation

The condensed set of financial statements has been prepared in accordance with FRS 104, Interim Financial Reporting, issued in March 2015, the revised reporting standard for half-year reporting that was issued following the introduction of FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, which is effective for periods commencing on or after 1 January 2015. The Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts", in accordance with which the Company's financial statements are also prepared, was reissued by the Association of Investment Companies in November 2014 to comply with the revised reporting standards. The Company has early adopted the amendments to FRS 102 in respect to fair value hierarchy disclosures as published in March 2016.

Following the application of the revised reporting standards, there have been no significant changes to the accounting policies set out in the Company's Annual Report for the year ended 30 September 2015.

The condensed financial statements for the year ended 30 September 2015 and the six months ended 31 March 2015 have been restated where necessary to comply with the new standards and disclosure requirements.

There has been no impact on the Company's Income Statement, Statement of Financial Position (previously called the Balance Sheet) or Statement of Changes in Equity (previously called the Reconciliation of Movements in Shareholders' Funds) for periods previously reported. The Cash Flow Statement previously reported has been restated to comply with the new disclosure requirements of the revised reporting standard. The condensed set of financial statements has been neither audited nor reviewed by the Company's auditors.

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 £253,000 (31 March 2015: £928,000; 30 September 2015: actual £908,000) has been made for a performance fee based on the Company's performance relative to the FTSE All-Share Index (the benchmark) over the thirty months to 31 March 2016. The actual performance fee payable will be calculated based on the actual relative performance for the thirty-six months to 30 September 2016 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 chargeable assets for the year. The provision, which is the maximum that could be charged under the cap arrangements, has been charged to the capital return column of the income statement whereas the management fee is charged to the revenue return column.

3. Management and performance fees

The Company has agreed a change to the terms of the Investment Management Agreement with Henderson Investment Funds Limited with effect from 24 May 2016 in terms of which no performance fee will be paid if there has been a decline in the Company's net asset value over the three year period over which performance is measured.

4. **Return per ordinary share – basic and diluted**

	(Unaudited) Half year ended 31 March 2016 £'000	(Unaudited) Half year ended 31 March 2015 £'000	(Audited) Year ended 30 September 2015 £'000
--	---	---	--

The return per ordinary share is based on the following figures:

Net revenue return	3,703	4,103	12,490
Net capital return/(loss)	5,833	15,903	(9,295)
	-----	-----	-----
Net total return	9,536	20,006	3,195
	=====	=====	=====

Weighted average number of ordinary shares in issue for each period

26,965,491	26,892,427	26,892,427
------------	------------	------------

Revenue return per ordinary share	13.7p	15.3p	46.4p
Capital return per ordinary share	21.7p	59.1p	(34.6)p
	-----	-----	-----
Total return per ordinary share	35.4p	74.4p	11.8p
	=====	=====	=====

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

5. **Investments held at fair value through profit of loss**

The table below analyses fair value measurements for investments held at fair value through profit or loss. These fair value measurements are categorised into different levels in the fair value hierarchy based on the valuation techniques used and are defined as follows under FRS 102:

Level 1: valued using quoted prices in active markets for identical assets

Level 2: valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1

Level 3: valued by reference to valuation techniques using inputs that are not based on observable market data

Investments held at fair value through profit or loss at 31 March 2016 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	418,133	-	2,179	420,312
<hr/>				
Investments held at fair value through profit or loss at 31 March 2015 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	433,634	-	846	434,480
<hr/>				
Investments held at fair value through profit or loss at 30 September 2015 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments	411,953	-	2,179	414,132

The investments were previously reported as Level 1 or Level 3 investments under the FRS 29 fair value hierarchy and those same investments continue to be classified as Level 1 or Level 3 investments following the adoption of FRS 102 and the amendments to the fair value hierarchy issued in March 2016. There have been no transfers between levels of the fair value hierarchy during the period.

The valuation techniques used by the Company are explained in the accounting policies note in the Company's Annual Report for the year ended 30 September 2015 and are equally

applicable under both FRS 29 and FRS 102.

6 **Transaction costs**

Purchase transaction costs for the half year ended 31 March 2016 were £139,000 (half year ended 31 March 2015: £156,000; year ended 30 September 2015: £336,000). Sale transaction costs for the half year ended 31 March 2016 were £28,000 (half year ended 31 March 2015: £19,000; year ended 30 September 2015: £43,000). These comprise mainly stamp duty and commission.

7. **Net asset value per ordinary share – basic and diluted**

The net asset value per ordinary share is based on the net assets attributable to the ordinary shares of £360,163,000 (31 March 2015: £376,753,000; 30 September 2015: £354,563,000) and on 27,018,565 ordinary shares (31 March 2015: 26,892,427; 30 September 2015: 26,892,427) being the number of ordinary shares in issue at the end of each period.

8. **Dividend**

On 29 April 2016, a first interim dividend of 11.0p per Ordinary Share was paid in respect of the year ended 30 September 2016. A second interim dividend of 11.0p per Ordinary Share has been declared and will be paid on 29 July 2016 to shareholders on the register of members at the close of business on 1 July 2016. The ex-dividend date is 30 June 2016. Based on the number of shares in issue on 24 May 2016 of 27,018,565, the cost of the dividend will be £2,972,000.

9. **Going concern**

Having reassessed the principal risks and uncertainties the Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

10. **Comparative Information**

The financial information contained in this half-year report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The figures and financial information for the year ended 30 September 2015 are extracted from the latest published accounts, restated where necessary to comply with FRS 102 and FRS 104 as explained in note 1, and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the independent auditors, which was unqualified and did not include a statement under either section 498(2) or 498(3) of the Companies Act 2006.

11. **Manager**

Henderson Investment Funds Limited ('HIFL') is appointed to act as the Company's Alternative Investment Fund Manager. HIFL delegates investment management services to Henderson Global Investors Limited. References to Henderson within these results refer to the services provided by both entities.

12. **General information**

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, through a broad spread of predominantly UK Companies. The Company measures its performance against the FTSE All-Share Index Total Return.

Company Status

The Company is a UK domiciled investment trust company.

The London Stock Exchange Daily Official List SEDOL number is 0536806 and ISIN number is GB0005368062.

The London Stock Exchange (EPIC) Code is LWI.

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

The Legal Entity Identifier Number (LEI) is 2138008RHG5363FEHV19

Directors

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

Corporate Secretary

Henderson Secretarial Services Limited, represented by Hannah Blackmore ACIS.

Registered Office

201 Bishopsgate, London EC2M 3AE. Registered number 670489.

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.

13. **Half Year report**

The Half Year report will be available in typed format on the Company's website or from the Company's Registered Office, 201 Bishopsgate, London EC2M 3AE. An update extracted from the Company's Half Year report will be posted to shareholders in early June 2016 and will be available on the Company's website thereafter.

Portfolio Information
as at 31 March 2016

Company	Sector	Market Value £'000	% of Portfolio
Royal Dutch Shell	<i>Oil & Gas Producers</i>	17,361	4.1
Hiscox	<i>Non-Life Insurance</i>	12,029	2.9
Senior	<i>Aerospace & Defence</i>	11,405	2.7
Phoenix	<i>Life Insurance</i>	10,991	2.6
Scapa ¹	<i>Chemicals</i>	8,600	2.1
Irish Continental ²	<i>Travel & Leisure</i>	8,564	2.0
HSBC	<i>Banks</i>	8,136	1.9
BP	<i>Oil & Gas Producers</i>	7,703	1.8
GKN	<i>Automobiles & Parts</i>	7,336	1.8
Hill & Smith	<i>Industrial Engineering</i>	7,237	1.7
10 Largest		99,362	23.6
Legal & General	<i>Life Insurance</i>	7,056	1.7
Glencore	<i>Mining</i>	6,956	1.7
Anglo American	<i>Mining</i>	6,901	1.6
DS Smith	<i>General Industrials</i>	6,120	1.5
Croda	<i>Chemicals</i>	6,078	1.5
Standard Chartered	<i>Banks</i>	6,043	1.4
Provident Financial	<i>Financial Services</i>	5,930	1.4
Rio Tinto	<i>Mining</i>	5,866	1.4
RELX	<i>Media</i>	5,823	1.4
Low & Bonar	<i>Construction & Materials</i>	5,568	1.3
20 Largest		161,703	38.5
Novae	<i>Non-Life Insurance</i>	5,460	1.3
Castings	<i>Industrial Engineering</i>	5,411	1.3
RPC	<i>General Industrials</i>	5,317	1.3
International Personal Finance	<i>Financial Services</i>	5,313	1.2
GlaxoSmithKline	<i>Pharmaceuticals & Biotechnology</i>	5,295	1.2
Elementis	<i>Chemicals</i>	5,267	1.2
Canfor Pulp ²	<i>Forestry & Paper</i>	5,121	1.2
Rolls-Royce	<i>Aerospace & Defence</i>	4,944	1.2
Marshalls	<i>Construction & Materials</i>	4,913	1.2
Johnson Service ¹	<i>Support Services</i>	4,908	1.2
30 Largest		213,652	50.8
Avon Rubber	<i>Aerospace & Defence</i>	4,827	1.2
Headlam	<i>Household Goods & Home Construction</i>	4,782	1.1
Consort Medical	<i>Health Care Equipment & Services</i>	4,737	1.1
Conviviality Retail ¹	<i>Food & Drug Retailers</i>	4,734	1.1
Vodafone	<i>Mobile Telecommunications</i>	4,575	1.1
Carclo	<i>Chemicals</i>	4,567	1.1
4D Pharma ¹	<i>Pharmaceuticals & Biotechnology</i>	4,464	1.1
Park ¹	<i>Financial Services</i>	4,233	1.0
Clarkson	<i>Industrial Transportation</i>	4,137	1.0
BAE Systems	<i>Aerospace & Defence</i>	4,072	1.0
40 Largest		258,780	61.6
Marstons	<i>Travel & Leisure</i>	3,990	1.0
Infineon Technologies ²	<i>Technology Hardware & Equipment</i>	3,964	0.9
National Grid	<i>Gas, Water & Multiutilities</i>	3,949	0.9
Inmarsat	<i>Mobile Telecommunications</i>	3,938	0.9
CRH ²	<i>Construction & Materials</i>	3,932	0.9
Greencore ²	<i>Food Producers</i>	3,750	0.9
IP Group	<i>Financial Services</i>	3,696	0.9
Interserve	<i>Support Services</i>	3,687	0.9
Aviva	<i>Life Insurance</i>	3,649	0.9
Centrica	<i>Gas, Water & Multiutilities</i>	3,643	0.9
50 Largest		296,978	70.7
St Modwen Properties	<i>Real Estate</i>	3,604	0.8
Balfour Beatty	<i>Construction & Materials</i>	3,583	0.8
Chesnara	<i>Life Insurance</i>	3,370	0.8
Churchill China ¹	<i>Household Goods & Home Construction</i>	3,344	0.8
Mondi	<i>Forestry & Paper</i>	3,340	0.8
Renold	<i>Industrial Engineering</i>	3,326	0.8

Daily Mail & General Trust	<i>Media</i>	3,308	0.8
Barclays	<i>Banks</i>	3,300	0.8
Epwin ¹	<i>Construction & Materials</i>	3,289	0.8
Prudential	<i>Life Insurance</i>	3,253	0.8
60 Largest		330,695	78.7
Mucklow	<i>Real Estate</i>	3,185	0.8
Shoe Zone ¹	<i>General Retailers</i>	3,157	0.8
McColl's Retail	<i>Food & Drug Retailers</i>	3,133	0.7
IMI	<i>Industrial Engineering</i>	3,129	0.7
Tesco	<i>Food & Drug Retailers</i>	3,069	0.7
Standard Life	<i>Life Insurance</i>	2,914	0.7
Ibstock	<i>Construction & Materials</i>	2,822	0.7
Herald Investment Trust	<i>Equity Investment Instruments</i>	2,796	0.7
Morgan Advanced Materials	<i>Electronic & Electrical Equipment</i>	2,726	0.6
H&T Group ¹	<i>Financial Services</i>	2,592	0.6
70 Largest		360,218	85.7
FBD ²	<i>Non-Life Insurance</i>	2,557	0.6
Findel	<i>General Retailers</i>	2,534	0.6
Weir	<i>Industrial Engineering</i>	2,493	0.6
Segro	<i>Real Estate</i>	2,462	0.6
Quarto	<i>Media</i>	2,420	0.6
Pearson	<i>Media</i>	2,406	0.6
BHP Billiton	<i>Mining</i>	2,348	0.6
Gibson Energy ²	<i>Oil & Gas Producers</i>	2,252	0.5
TT Electronics	<i>Electronic & Electrical Equipment</i>	2,235	0.5
Stobart	<i>Industrial Transportation</i>	2,100	0.5
80 Largest		384,025	91.4
Horizon Discovery ¹	<i>Pharmaceuticals & Biotechnology</i>	2,090	0.5
Pennon	<i>Gas, Water & Multiutilities</i>	2,028	0.5
Revolmer ¹	<i>Chemicals</i>	1,980	0.5
Cape	<i>Oil Equipment Services & Distribution</i>	1,911	0.4
Palace Capital ¹	<i>Real Estate</i>	1,859	0.4
Somero Enterprises ^{1,2}	<i>Industrial Engineering</i>	1,850	0.4
Manx Telecom ¹	<i>Fixed Line Telecommunications</i>	1,767	0.4
AstraZeneca	<i>Pharmaceuticals & Biotechnology</i>	1,717	0.4
Shanks	<i>Support Services</i>	1,660	0.4
Carr's Group	<i>Food Producers</i>	1,560	0.4
90 Largest		402,446	95.7
Carillion	<i>Support Services</i>	1,471	0.4
Topps Tiles	<i>General Retailers</i>	1,470	0.3
Babcock International	<i>Support Services</i>	1,424	0.3
Oxford Sciences Innovation	<i>Pharmaceuticals & Biotechnology</i>	1,333	0.3
Velocys ¹	<i>Chemicals</i>	1,302	0.3
DFS Furniture	<i>General Retailers</i>	1,193	0.3
Wireless	<i>Media</i>	891	0.2
Airea ¹	<i>Personal Goods</i>	846	0.2
Fidessa	<i>Software & Computer Services</i>	706	0.2
Elecosoft ¹	<i>Construction & Materials</i>	662	0.2
100 Largest		413,744	98.4

¹ AIM Stocks

² Overseas Quoted Stocks (Canada, Germany and Ireland)

For further information please contact:

James Henderson
Fund Manager, Tel: 020 7818 4370

Laura Foll
Deputy Fund Manager, Tel: 020 7818 6364

James de Sausmarez
Director and Head of Investment Trusts, Henderson Global Investors, Tel: 020 7818 3349

Sarah Gibbons-Cook
Investor Relations and PR Manager, Henderson Global Investors, Tel: 020 7818 3198

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 announcement.