EDISON

Lowland Investment Company

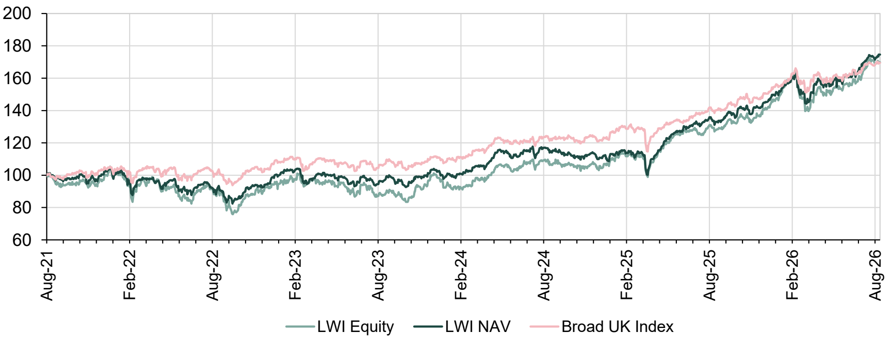
Another strong year in prospect

Investment companies
UK Equity Income

29 September 2026

Lowland Investment Company's (LWI's) unconstrained, multi-cap investment policy continues to differentiate it from most peers in the AIC UK Equity Income sector, offering broad market exposure beyond the large, traditional 'income stocks'. The trust is well into its fourth consecutive year of strong absolute and relative performance, all the more impressive given that smaller company share gains have trailed those of larger peers, and reflects strong stock selection. Quarterly DPS has increased in each of the past three quarters to an annualised rate of 7.0p per share, or a yield of 3.7%, which is well above the end-August broad market yield of 3.2%.

Exhibit 1: Performance recovers in H226



Source: LSEG Data & Analytics, Edison Investment Research

Smaller company potential still to come through

Over the year to 31 July, LWI generated a NAV total return (with debt at fair value) of 29.3%, 7.7pp above its broad market benchmark. Over three years the trust was 18.8pp above benchmark and the five-year relative performance was also well into positive territory despite a challenging FY22. Having slightly lagged the broad market benchmark in the half-year to 31 March (H126), the trust looks set to report a fourth consecutive year of strong absolute and relative performance for the year to September 2026.

LWI is typically weighted around 50% towards the largest 100 UK stocks, little more than half the benchmark weight, with a consequent overweighting to small- and mid-cap companies. Larger companies have led market performance for most of the past 10 years. They are still ahead of smaller companies over the past year, but have significantly trailed over the past six months. What LWI's performance demonstrates is the ability of the managers to pick stocks, from across their wide investment universe, which can in aggregate outperform regardless of market capitalisation. Holdings in large oil producers such as Shell and bp, large banks like HSBC and the pharmaceutical company GSK will have contributed to the strong performance of the past year. Eight of the trust's holdings (all smaller companies other than Schroders) have been the subject of bid activity during FY26 (including ELECO in September), at material premiums, beneficial to performance and highlighting attractive market values. But what is clear is that the long, diversified list of smaller companies have in aggregate performed well versus their respective market capitalisation averages.

Price		**185.00p**
Market cap		**£404m**
Total assets		**£496m**

[1]Source: AIC

NAV		202.2p

[1]NAV at fair value cum income at 25 September 2026

Discount to NAV		8.6%
Current yield		3.7%
Shares in issue		218.6m
Code/ISIN		LWI/GB00BNXGHS27
Primary exchange		LSE
AIC sector		UK Equity Income
Financial year end		30 September
52-week high/low	189.2p	142.1p
Net gearing		14.0%

[1]Net gearing at 31 July 2026

Fund objective

Lowland Investment Company (LWI) aims to give investors a higher-than-average return with growth in both capital and income over the medium to long term by investing in a broad spread of predominantly UK companies. LWI measures its performance against the total return of the broad UK stock market, although its portfolio is markedly different from that of its benchmark index.

Bull points

- Attractive yield.
- Low portfolio valuation relative to market.
- Opportunistic buybacks to enhance returns.

Bear points

- The UK remains unloved by investors.
- Multi-cap strategy can be volatile.
- Value style can be out of favour.

Analyst

Martyn King +44 (0)20 3077 5700

investmenttrusts@edisongroup.com

Edison profile page

Lowland Investment Company is a research client of Edison Investment Research Limited

Multi-cap income growth

LWI seeks to provide investors with a higher-than-average return, with growth in both capital and income over the medium to long term by investing in a broad spread of predominantly UK companies. The trust measures its performance against the broad UK market, although it seeks investment opportunities from across the whole range of market capitalisations, unconstrained by index weightings. This flexible, multi-cap approach enables the trust to invest in companies that have greater growth potential, usually but not always small- and mid-cap companies, increasing the capital base of the portfolio and distributable income over time and thereby supporting the progressive dividend strategy. In this respect, LWI is clearly differentiated from the majority of peers in the AIC UK Equity Income sector, which typically have a greater focus on traditional 'income' areas of the market.

The trust was established in 1963 and has for many years been jointly managed by James Henderson (since 1990) and Laura Foll (since 2016) of Janus Henderson (JHI), supported by the wider JHI global equity income team. James will retire from JHI in June 2027, after 44 years in financial services, and Laura will become lead fund manager. LWI has said that there will be no change to its investment objective or strategy.

Summary of the investment case

We highlight the following key reasons to consider an investment in LWI at this time, explored in detail in this report:

- The very strong rise in UK equities over the past three years followed an extended period of poor investor sentiment and underperformance relative to global equities. This means that current valuations remain far from stretched in absolute or relative terms. LWI's portfolio has traded on a trailing P/E of c 12–13x through FY26 to date (most recently 'around 13x' at end-July 2026), below the broad UK market multiple of c 14x and well below the US market.
- Low valuations continue to be underpinned by a very high level of takeover activity, usually at a significant premium to market value. Over the past year, eight LWI holdings – International Personal Finance (IPF), Schroders, Senior, DCC Energy, Irish Continental Group, Rotork, Segro and ELECO – have received takeover approaches or firm offers, continuing a pattern seen throughout FY25.
- There are good reasons for investors to remain cautious about global economies and uncertainty abounds, not just about the future direction of markets but also about the winners and losers. LWI's managers stress the importance of portfolio diversification and the need to focus on companies that have strong management teams with the ability to adapt to changing circumstances, conservative balance sheets and leading market positions. In many cases, these are just the types of businesses on the receiving end of bids.
- LWI has a strong commitment to dividends, has a progressive dividend policy and has maintained or increased DPS every year since 1963. DPS has increased in each of the past three quarters. If maintained at this level for the final quarter of FY26, the annual DPS will amount to 6.925p, an increase of 4.5% on FY25.

Balancing income and growth

By market capitalisation, the trust's portfolio is typically split between larger, medium and smaller companies in broadly equal parts, intended to optimise the balance between immediate income and income growth over time. The weighting towards the largest 100 UK-listed companies is rarely above 50% and was last reported at 49% in March 2026 (H126), still well below the benchmark level of 89%. Conversely, LWI's investment in small- and mid-cap stocks and AIM-listed stocks remains well ahead of the benchmark weight, and it is here where the managers continue to identify the best combination of growth and value.

Exhibit 2: LWI's positioning by market capitalisation segment

	FY22	FY23	FY24	FY25	H126	Benchmark at H126
UK Top 100	48%	48%	45%	48%	49%	89%
UK Mid-250	16%	18%	21%	24%	25%	10%
UK Small cap	12%	13%	13%	12%	10%	1%
UK broad market	76%	79%	87%	83%	83%	100%
AIM/Other	24%	21%	13%	17%	17%	N/A
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: LWI data, Edison Investment Research. Note: *Other is primarily AIM-listed stocks but includes fledgling stocks and overseas stocks.

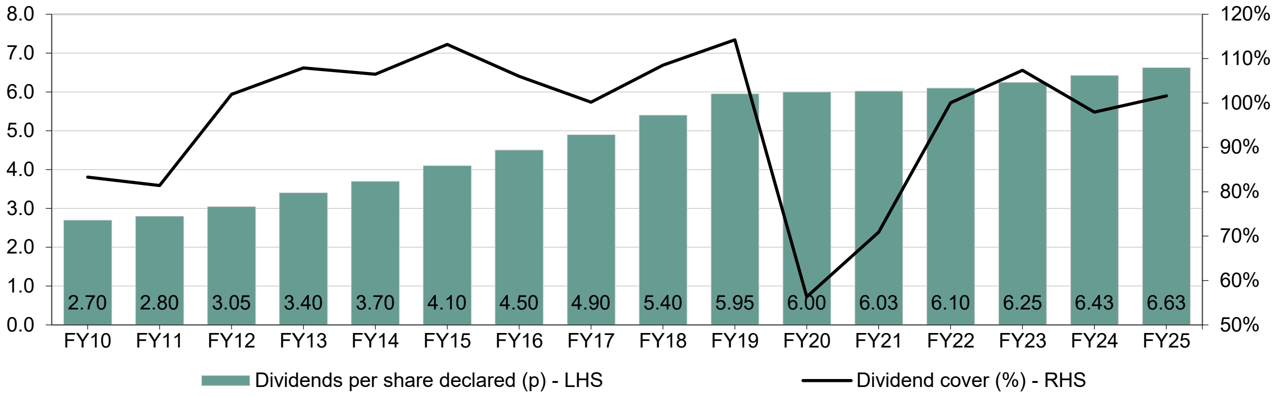
Progressive dividends

LWI aims to pay progressive dividends over time, with each quarterly distribution equal to or greater than the previous one. Dividends have been increased or maintained in every year since 1963 and over the 25 years to end FY25, DPS growth averaged 6.4% per year.

Aggregate DPS in FY25 was 6.625, an increase of 3.1% on FY24. Thus far in FY26, DPS declared has increased in each of the past three quarters. The first two interim dividends declared in H126 were 1.70p (+4.6% year-on-year) and 1.725p (+4.5%) respectively. A third interim dividend of 1.75p (+6.1%) was declared in September and if maintained at this level in the final quarter, the FY26 total would be 6.925p (+4.5%) and would take three-year average growth to 3.5%.

It is worth highlighting that for LWI, dividends are being paid from revenue earnings and reflect the underlying portfolio yield rather than any distribution of capital, unlike several peers that make distributions from both income and capital or intend to do so. This goes to the heart of what differentiates LWI, with its flexible, multi-cap approach enabling it to invest in companies that have greater growth potential than may be the case for traditional, typically large-cap, income areas of the market. Rather than maximising immediate income, LWI aims to enhance the growth of its capital base and distributable income over time, in turn supporting the progressive dividend strategy.[1]

Exhibit 3: Progressive dividends



Source: LWI, Edison Investment Research

Third consecutive year of strong outperformance

Lowland has delivered four consecutive years of strong absolute and relative performance, and this is reflected in the five- year performance despite a challenging FY22. This performance is particularly impressive given its strategic overweighting versus its benchmark in smaller companies, which have continued to underperform their larger peers, and this is primarily the result of successful stock selection.

1. In the immediate aftermath of the pandemic, when many companies cancelled or reduced (in some cases a permanant re-base) distributions, LWI utilised revenue reserves to hold DPS while many peers made reductions. Full cover by revenue earnings on an annual basis was restored in FY23.

Exhibit 4: Performance data to end-August 2026

Cumulative total return (%)	1 month	3 months	6 months	1 year	3 years	5 years	10 years
LWI share price	2.2	9.2	2.9	31.4	90.7	69.8	129.5
LWI NAV	2.3	9.4	7.4	30.7	81.5	74.6	122.0
Broad market benchmark	0.7	5.1	2.0	21.3	59.7	69.8	126.3
LWI NAV versus benchmark	1.6	4.3	5.4	9.4	21.8	4.8	(4.3)

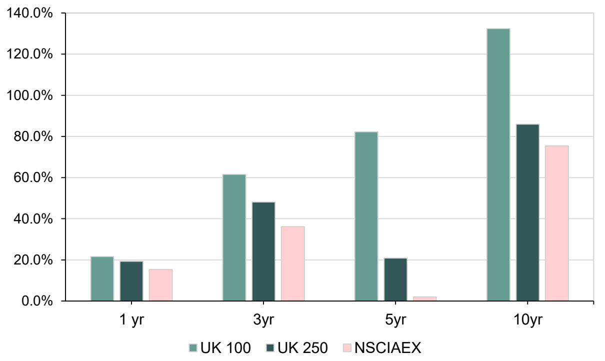
Source: LWI

Although smaller companies have a tendency to outperform larger companies, this has not been so over the past 10 years. This period of underperformance by smaller companies broadly coincided with the Brexit vote, which appeared to trigger a downwards assessment of UK economic prospects. Meanwhile, a progressive shift towards larger, more liquid stocks has coincided with retrenchment on the part of private investors. The charts below show the contrasting share price returns of larger UK companies and their smaller counterparts, represented by the mid-250 companies and the Deutsche Numis Smaller Companies Index, including AIM but excluding investment companies (NSCIAEX).

In the current financial year, which began 1 October 2025, smaller companies began to outperform but sold off more sharply than the broad market when hostilities began in the Middle East, as investors made a flight to safety. During H126, the broad UK equity market delivered an 8.9% total return while the Deutsche Numis Smaller Companies Index fell 5.1%. During the first five months of H226, to August, the smaller company index returned more than 19%, roughly twice the return of the broad index, significantly closing the underperformance gap in the year to date.

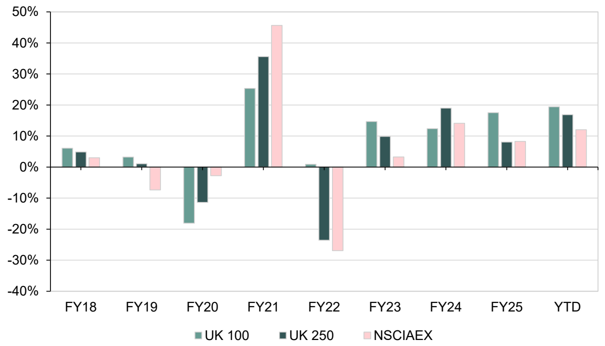
LWI's managers see strong prospects for selected smaller companies, where market expectations and valuations remain especially low.

Exhibit 5: Total return by market segment



Source: LSEG Data & Analytics, Edison Investment Research

Exhibit 6: Segmental returns by LWI fiscal year



Source: LSEG Data & Analytics, Edison Investment Research

Breaking the performance down into discrete years provides an insight into returns in different market conditions over the past 10 years. We note the tendency for LWI to outperform the benchmark when investor sentiment is positive and the broad market is rising strongly. With the UK equity market showing strong returns over the past three years, LWI's performance is consistent with the longer-term trend.

Exhibit 7: LWI 10-year performance on a discrete fiscal year basis

Total return (%)	H126	FY25	FY24	FY23	FY22	FY21	FY20	FY19	FY18	FY17	FY16
LWI NAV	7.1	20.7	16.3	17.2	(14.8)	51.0	(24.8)	(9.6)	2.7	17.0	12.2
Broad market benchmark	8.9	16.1	13.4	13.8	(4.0)	27.9	(16.6)	2.7	5.9	11.9	16.8
LWI versus benchmark	**(1.8)**	4.6	2.9	3.3	(10.8)	23.1	(8.2)	(12.3)	(3.2)	5.1	(4.6)

Source: LWI data

Stock selection remains the key driver

Given the performance drag created by LWI's market capitalisation weightings, it is clear that stock selection has been strong and the driver of outperformance. In the rising market, gearing will also have been beneficial, and so too share buybacks at a discount to NAV.

Stock selection is at the heart of the investment managers' bottom-up investment process, overlaid with a strong valuation discipline. The investment process typically leads them towards companies that are well managed, cash generative and which display leadership in their own, sometimes niche, market segments.

Using a range of valuation metrics, the managers seek to invest in companies that are trading at a discount valuation, in some cases compared with their trading history and in others compared with their peer group. There can be many reasons for a valuation discount, including disappointing recent financial performance, balance sheet or management concerns, and these alone are insufficient reasons to invest. The managers want to see a route to recovery from whatever issues the company is facing, with the prospect of delivering sales, earnings and dividend growth, and their assessment of company leadership is one of the most important factors in making this judgement. They comment that a good management team can navigate a difficult economic backdrop, while poor management can get it wrong even in the good times.

Given the investment focus, it is perhaps unsurprising that a significant number of companies that LWI has invested in have been on the receiving end of bids over the past two years, in nearly every case at a significant premium to market values.

In FY26 to date, eight LWI holdings have received recommended takeover offers or approaches: IPF (consumer lending, £543m cash offer from BasePoint Capital agreed in December 2025 at 235p per share; the final acquisition value rose to 250p per share, including a 15p special dividend); Schroders (asset management, agreed £9.9bn cash offer from Nuveen); Senior (aerospace components, recommended c £1.28bn offer from a Tinicum and Blackstone consortium); DCC Energy (energy distribution, agreed c £5.75bn offer from KKR and Energy Capital Partners); Irish Continental Group (ferry and freight operator, €8.00 per share management-led buyout valuing it at c €1.2bn); Rotork (valve actuator manufacturer, agreed c £4.1bn cash offer from ABB); SEGRO (industrial and data centre property, agreed combination with Prologis valuing it at over £13bn); and ELECO (construction and building-management software, recommended 235p per share cash offer from Accel-KKR valuing it at c £208m).

During FY25, three of LWI's holdings (H&T, Renold, and Epwin), accounting for c 4% of the portfolio at the start of the year, were bid for.

Exhibit 8: Recent takeover activity affecting LWI holdings

Date firm bid announced	Company	Business activity	Acquirer	Offer premium	Last published portfolio weight prior to bid
Aug-26	IPF*	Personal credit	Private equity	40% premium to undisturbed price*	1.4%
Feb-26	Schroders	Asset management	Trade	29% premium to undisturbed price	0.8%
Apr-26	Senior**	Engineering	Private equity	29% premium to undisturbed price**	2.1%*
Apr-26	DCC Energy	Energy	Private equity	21% premium to undisturbed price	0.6%
Jul-26	Irish Continental	Transport	Management	28% premium to undisturbed price	1.8%
Jul-26	Rotork	Engineering	Trade	73% premium to undisturbed price	0.4%
Aug-26	Segro	Property	Trade	39% premium to undisturbed price	0.9%
Sep-26	ELECO	Software	Private equity	75% premium to undisturbed price	0.8%

Source: LWI, London Stock Exchange, Edison Investment Research
Note: *BasePoint's first publicly disclosed approach to IPF was in July 2025. We have based LWI's holding on the position prior to this date and show the premium based on the undisturbed price ahead of this approach. **Senior received its first private, non-binding takeover proposal on 14 January 2026 and rejected it. Bid interest became public on 27 February 2026, when Senior disclosed several approaches following press speculation. The first firm offer was announced on 7 April 2026: a recommended bid from the Tinicum-Blackstone consortium. Although the 16% premium to the 26 February share price was relatively modest, Senior shares had risen strongly during January. Compared with the 60-day average price at 26 February, the premium was 37%.

Buybacks and discount management

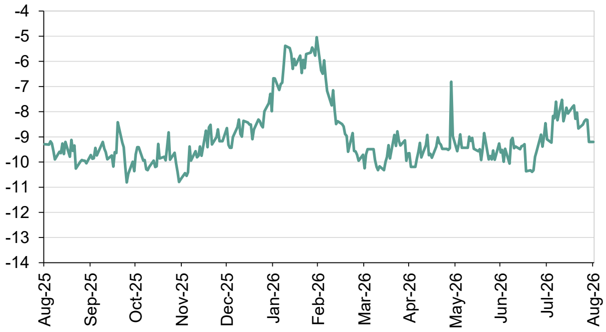
Over the past one and three years, the LWI share price has risen strongly, slightly outpacing the growth in NAV, yet the shares are still trading at a discount to NAV (at fair value, cum income) of c 9%, which is towards the higher end of its AIC UK Equity Income peer group simple average discount of 5% (weighted average 2%) despite the trust's strong absolute and relative performance.

Over the past year, the discount has averaged 9%, with a low of c 5% (in February 2026) and a high of 13%. Over three years, the average discount has been c 10%.

Although LWI has no formal discount control mechanism, the board has been willing to use buybacks opportunistically when it believes this is likely to maximise shareholder returns. The board's long-held view is that a formal discount control mechanism would negate some of the benefits of the closed-end structure, as well as potentially shrink the size of the trust, reducing the audience of potential investors, increasing the ongoing charges ratio and reducing liquidity in the shares. It believes that the best way to close or eliminate the discount is to provide attractive returns and to engage as broadly as possible with investors. We share this view.

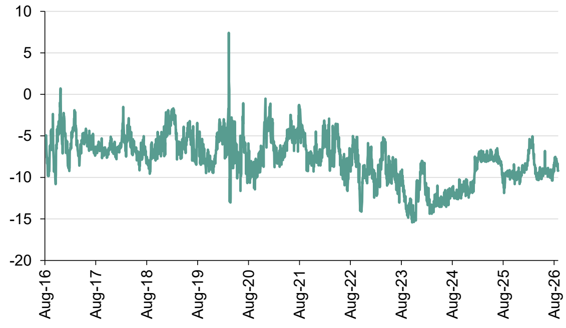
Between January and July 2025, LWI repurchased 50.2m shares for £67.2m, equivalent to 18.6% of its issued share capital, at an average discount of c 8% to NAV. Following a pause, buybacks resumed in May 2026: purchases in May, July and September to 23 September totalled 1.33m shares for c £2.36m, equivalent to 0.5% of issued share capital, at an average discount of c 9% to NAV. No shares were repurchased in August. Substantial headroom remains under the authority renewed at the 28 January 2026 AGM, which permits purchases of up to 14.99% of shares excluding those held in treasury; approximately 31.6m shares of that authority remained available after the 23 September purchase.

Exhibit 9: One-year discount to NAV (at fair value, cum income)



Source: LSEG Data & Analytics

Exhibit 10: 10-year premium/(discount) to NAV (at fair value, cum income)



Source: LSEG Data & Analytics

Portfolio positioning

Portfolio diversification remains a key element of risk management, primarily within the smaller company portion of the portfolio, and there are typically 100–120 individual holdings.

As at 31 July 2026, the top 10 holdings included nine top 100 UK companies, with a focus on higher-yielding financials and oil and gas producers, plus the Irish non-life insurer, FBD.

In aggregate, the top 10 represented c 26% of the portfolio, with the balance broadly diversified across more than 100 other holdings.

Exhibit 11: Top 10 holdings (%)

Company	Country	Industry	Portfolio weight (%)*			Change in weight (%) since:	
			31-Aug-26	31-Mar-26	30-Sep-25	31-Mar-26	30-Sep-25
HSBC	UK top 100	Banks	4.0	3.9	4.3	0.1	(0.3)
Barclays	UK top 100	Banks	2.8	2.5	2.6	0.3	0.2
BP	UK top 100	Oil & gas	2.7	3.4	2.6	(0.7)	0.1
Shell	UK top 100	Oil & gas	2.6	3.1	2.4	(0.5)	0.2
GSK	UK top 100	Pharma & Biotech	2.5	3.0	2.5	(0.5)	0.0
Standard Chartered	UK top 100	Banks	2.2	1.8	1.8	0.4	0.4
Standard Life	UK top 100	Life insurance	2.3	1.9	1.9	0.4	0.4
FBD	UK top 100	Non-life insurance (Ireland)	2.2	1.8	1.8	0.4	0.4
Aviva	UK top 100	Life insurance	1.9	1.8	2.2	0.1	(0.3)
Rio Tinto	UK top 100	Industrial metals & mining	1.9	1.8	2.2	0.1	(0.3)
Total top 10 holdings**			**26.2**	**27.2**	**25.2**		

Source: LWI data, Edison Investment Research. Note: *The total weighting in those stocks comprising the top 10 holdings at 31 August 2026. **The total weighting in the actual top 10 holdings at each point in time.

Most of the movement in top 10 weightings over the past 12 months reflects relative share price performance rather than active trading, and in some cases profit taking following strong outperformance. All the current top 10 holdings have been owned throughout the period and, in some, profits have been taken along the way, primarily to maintain portfolio balance and diversification of risk. During August, profits were taken in several financial holdings, following strong share price performance. These included Standard Life, which remains a top 10 holding, M&G, in the top 10 at end-July, Legal & General, Aberdeen and Lloyds.

With stock selection being bottom-up, sector weightings remain substantially an output rather than a deliberate target; sector trading conditions and valuations nonetheless influence where the managers identify the best opportunities. Financials is the largest sector weighting (30%), as it is for the broad market, comprising primarily large-cap banks and insurers. Industrials is the second-largest sector weighting, around 10pp above the broad market weight, and including diversified exposure to mid- and small-cap companies.

Reflecting its positioning towards smaller companies, which tend to be more domestic than the very largest companies, as at the end of August, the revenue exposure of the Lowland portfolio companies to the UK was c 57% compared with c 26% for the broad UK market. It is among domestically focused, primarily smaller UK companies that the managers see the best opportunities to invest in businesses with strong, conservative management, which are cash generative and have leading market positions at attractive valuations.

While UK economic growth has remained sclerotic, it is clear that this is no guide to stock market performance, especially at a company level; however, a UK economy performing moderately well, or at least not materially worse than low expectations, would be beneficial to LWI. With a portfolio beta of 1.1x and structural gearing, it is reasonable to expect the LWI portfolio to perform better in a rising market which, as the data above shows, has generally been the case.

Exhibit 12: Sector exposure

	Portfolio weight (%)			Change in weight (%) since:		Benchmark weight (%)	Active weight (%)
Sector	**31-Aug-26**	**31-Mar-26**	**30-Sep-25**	**31-Mar-26**	**30-Sep-25**	**31-Aug-26**	
Financials	29.5	28.3	30.9	1.2	(1.4)	30.4	(0.9)
Industrials	23.6	24.4	26.8	(0.8)	(3.2)	12.7	10.9
Consumer discretionary	9.4	9.0	9.0	0.4	0.4	6.5	2.9
Basic materials	8.1	7.6	7.3	0.5	0.8	8.1	0.0
Consumer staples	5.1	4.0	3.9	1.1	1.2	12.4	(7.3)
Energy	7.0	9.0	6.8	(2.0)	0.2	9.4	(2.4)
Real estate	5.6	5.7	5.0	(0.1)	0.6	2.1	3.5
Health care	4.0	4.7	4.4	(0.7)	(0.4)	10.5	(6.5)
Utilities	3.0	3.0	2.8	0.0	0.2	4.3	(1.3)
Telecom	2.0	2.3	2.0	(0.3)	0.0	1.3	0.7
Technology	2.7	2.0	1.1	0.7	1.6	2.6	0.1
Total	**100**	**100**	**100**			**100**	

Source: LWI data, Edison Investment Research

Recent activity and current opportunities

Where LWI has sold completely out of positions over the past year has largely been takeover-related. Aside from this, the positions actively sold include Tesco (1.2% of the portfolio at end-FY25) in January 2026 and Cranswick (0.6% of the portfolio at end-March 2026) in May 2026. Tesco had performed well while similar exposures in Sainsbury's and Marks & Spencer were retained. Shares in Cranswick, the pork and poultry producer, had been owned by LWI for a number of years and had performed strongly. Following a further rise in the share price after results in May, the position was sold on valuation grounds.

New positions were first initiated (and in some cases subsequently increased) in Mears[2] in November 2025 (0.7% of the end-July portfolio); Cohort[3] (0.4%) and Young & Co's Brewery[4] (0.7%), both in January 2026; RELX (1.3%) in February 2026; James Halstead[5] (0.5%) in April 2026; and AG Barr[6] (0.5%) and Weir[7] (0.4%), both initiated in June 2026. The most significant new position, in RELX, which provides scientific, legal and risk information services, reflects the investment managers' views that AI concerns had created an attractive valuation that did not reflect the protection offered to the company by its proprietary data.

A number of existing positions have been added to.

Peer group comparison

LWI is a constituent of the AIC UK Equity Income sector. Its multi-cap investment policy and significant exposure to mid- and small-cap stocks continues to differentiate it from most peers. We have highlighted LWI's greater exposure to domestic UK earnings and cyclicals, areas where the managers aim to identify attractive investment opportunities and

2. Mears Group provides housing maintenance and management services, mainly to local authorities and housing associations in the UK.
3. Provider of defence technology, systems and specialist services.
4. The brewer and pub operator
5. Manufacturer of commercial flooring, mainly vinyl.
6. Soft drinks producer whose brands include IRN-BRU and Rubicon.
7. Supplier of mining equipment and aftermarket services.

which are more highly represented within the mid- and small-cap sectors.

In terms of NAV total return, LWI has been consistently one of the top-performing trusts in the sector over one, three and five years, and remains a little below the sector average over 10 years, spanning the extended period of smaller-company underperformance discussed above, but particularly 2022.

Ongoing charges, at c 0.7%, are below the simple peer average of 0.8% and gearing is the highest.

The trailing dividend yield of 3.6% (prospective 3.7%) is below the peer simple average of 4.3% but closer to the weighted average 3.9%. We noted above the 4.5% annualised growth rate of the most recently declared quarterly DPS and acceleration in growth over the past three years.

Exhibit 13: Peer group comparison

	Market Cap (£m)	NAV TR 1Y	NAV TR 3Y	NAV TR 5Y	NAV TR 10Y	Ongoing charge	Discount to NAV (%)	Net gearing	Dividend Yield (%)
Lowland	403.4	28.1	75.9	76.5	117.5	0.7	(8.8)	110	3.64
abrdn Equity Income	365.7	28.8	75.5	65.4	83.3	0.8	0.8	109	5.05
BlackRock Income & Growth	43.1	14.4	36.8	50.2	87.3	1.2	(9.5)	105	3.26
Chelverton UK Dividend Trust	32.3	12.1	29.0	(6.4)	37.4	2.3	(4.8)	100	6.94
City of London	2,991.9	21.6	65.1	88.2	127.4	0.4	1.8	104	3.93
CT UK Capital & Income	322.1	9.3	34.4	31.2	86.4	0.7	(4.0)	108	3.73
CT UK High Income	100.4	18.9	62.9	54.9	90.6	1.0	(6.4)	113	5.39
Dunedin Income Growth	358.5	14.1	28.1	29.2	92.3	0.6	(7.9)	110	6.19
Edinburgh Investment	1,019.9	9.8	35.4	59.0	77.2	0.5	(7.4)	105	3.86
Finsbury Growth	761.4	(5.5)	(0.5)	0.4	55.6	0.6	(7.1)	109	2.70
JP Morgan Claverhouse	513.6	19.5	57.8	60.6	126.3	0.6	(3.1)	104	3.88
Law Debenture Corporation	1,657.6	22.3	70.8	88.6	213.9	0.6	1.1	107	2.88
Merchants Trust	978.8	22.6	50.4	65.9	154.1	0.5	(4.9)	105	4.52
Murray Income Trust	908.9	15.9	30.6	32.9	96.1	0.5	(7.0)	108	4.21
Schroder Income Growth	237.6	16.8	48.4	58.3	106.3	0.8	(5.6)	110	4.17
Temple Bar	1,275.3	23.7	84.7	118.6	152.6	0.6	0.0	101	3.76
Simple average	**748.2**	**17.0**	**49.1**	**54.6**	**106.5**	**0.8**	**(4.5)**	**107**	**4.3**
Weighted average		**18.5**	**55.3**	**70.6**	**128.0**	**0.5**	**(2.4)**	**106**	**3.9**
Rank	9	2	2	4	6	6	15	3	13

Source: Morningstar, Edison Investment Research. Note: Latest published performance data as at 25 September 2026 based on ex-par NAV. TR is total return. Net gearing is total assets less cash and equivalents as a percentage of net assets (100 = ungeared).

Additional company details

Fees and charges

Management fees are paid on a sliding scale: 0.5% on the first £325m of net assets and 0.40% thereafter, split equally between the capital and revenue account, with no performance fee. The ongoing charges ratio was 0.71% in FY25.

Gearing

The ability to use gearing is one of the benefits of the investment trust structure, enhancing investment returns when the market rises, as it has done over the longer term. The board has set a limit on gearing of no more than 20% at the point of draw-down, but in practice it has been well below this level, averaging c 13% over the past five years within a range of c 11% to c 15%.

Net gearing at end-July 2026 was c 14%, similar to the level in March 2026 (H126) but up from c 12% in September 2025 (FY25).

Structural borrowing continues to be provided by £30m of long-term unsecured loan notes, due to mature in 2037, at a fixed rate of 3.15% per year, well below the portfolio yield, supplemented by a floating-rate £40m unsecured revolving credit facility at a margin of 90bp over SONIA, drawn on selectively as required.

General disclaimer and copyright

Australia

New Zealand

United Kingdom

United States

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom