

Factsheet 30 June 2020

Fair value of independent professional services business (IPS)

Performance data and trust statistics include the fair value of IPS. The valuation of the IPS business was updated as at 30 June 2020, representing a fair value adjustment of 75.2p per share to the NAV of the group.

Fund objective

Our objective is to achieve long term capital growth in real terms and steadily increasing income. The aim is to achieve a higher rate of total return than the FTSE All-Share Index through investing in a portfolio diversified both geographically and by industry.

Fund managers' comments



James Henderson

In June, the net asset value (on a cum income basis with debt at fair value) increased 3.0%, while the FTSE All-Share benchmark rose 1.5%. Within this, a fall in bond yields meant the fair value of the debt was moved upwards. Keeping debt at par, the net asset value rose by 3.4%.

The largest positive contributors to relative performance were Ceres Power and Simec Atlantis. Ceres continued to outperform on the view that hydrogen will be part of the solution to decarbonise the world. Announced partnerships with blue chip companies should precipitate commercialisation of Ceres' fuel cell technology. Simec Atlantis performed strongly after announcing encouraging results from their test of repurposing a coal plant to use non-recyclable waste fuel pellets to lower emissions and pollution. The largest detractor from returns was Babcock, a contractor, that reported disappointing results during the month. We see the business as undervalued at these levels with scope for a new CEO to rebuild investor trust and provide a clearer path to improved cash flows.

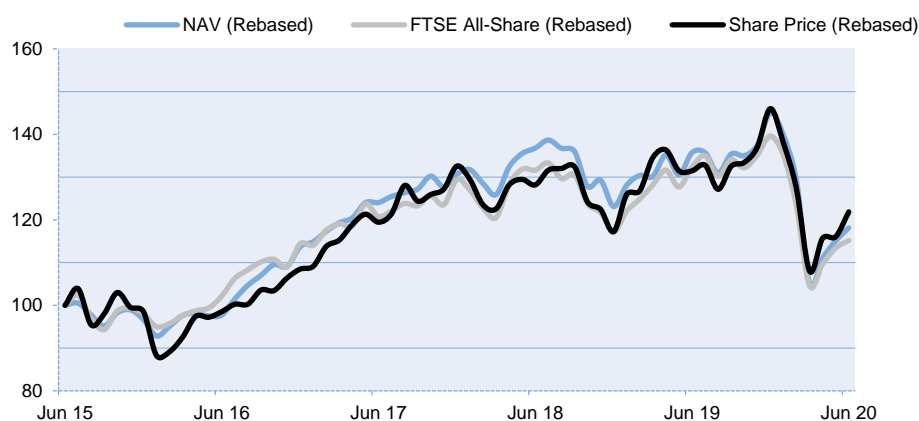
During the period, we initiated a position in digital payments provider, Boku, by participating in a placing to raise capital to fund its acquisition of Fortumo. We see the acquisition as complementary to the existing payments business and earnings accretive. We sold the position in Johnson & Johnson during the month, taking profits after a strong run of performance.

Performance over	1yr	3yrs	5yrs	10yrs
Net asset value total return ¹	-13.0%	-4.8%	18.1%	129.7%
FTSE Actuaries All-Share total return ²	-13.0%	-4.6%	15.2%	91.8%
Share price total return ²	-7.3%	2.0%	21.9%	163.9%

¹ Net Asset Value at fair value calculated in accordance with AIC methodology, based on performance data held by Law Debenture

² Source: Thomson Reuters

Performance (June 2015 = 100)



Trust statistics

NAV (debt at fair value)			
NAV per ordinary share (cum income) ¹	543.93p	Gross total assets	£807m
NAV per ordinary share (ex income) ¹	539.93p	Group gearing / (net cash) – AIC (net) ²	19.0%
Share price (code LWDB)	517p	Dividend Yield ²	5.20%
Premium/(discount) (cum income)	-5.2%	Ongoing charges ³	0.48%

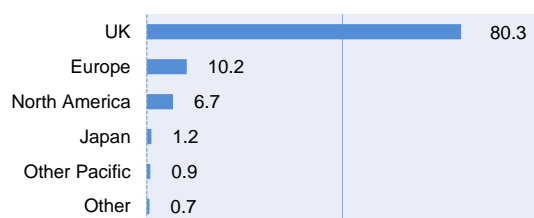
¹Net Asset Value at fair value calculated in accordance with AIC methodology, based on performance data held by Law Debenture including fair value of the IPS businesses and long term borrowings

²Source: AIC

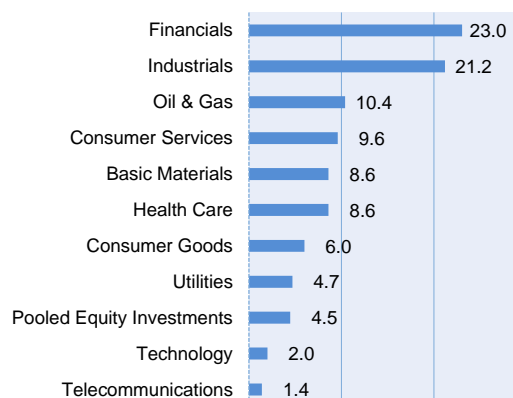
³Source: Calculated by Law Debenture as per published 30 June 2020 accounts

Factsheet 30 June 2020

Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Herald Investment Trust	1.9%
Hipgnosis Songs Fund	1.2%
Scottish Oriental Smaller Company Trust	0.9%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Glaxosmithkline	3.9%	National Grid	2.0%
Ceres Power	3.1%	Severn Trent	1.8%
Rio Tinto	2.4%	Dunelm	1.8%
Royal Dutch Shell	2.2%	Prudential	1.6%
Relx	2.0%	Astrazeneca	1.5%

Trust information

Sector	UK Equity Income	Dividend payment	January, April, July, October
Benchmark	FTSE All-Share index	Last ex div date	25 June 2020
Trust type	Conventional (Ords)	Management fee (based on NAV)	0.30%
Launch date	December 1889	Performance Fee	No
Financial year end	31 December		

Company History

From its origins in 1889, Law Debenture has diversified to become a group with a unique range of activities in the financial and professional services sectors. The group divides into two distinct complementary areas of business.

Firstly, we are an investment trust, listed on the London Stock Exchange. Our portfolio of investments is managed by James Henderson and Laura Foll of Janus Henderson Investors under a contract terminable by either side on six months' notice.

Secondly, we are a leading provider of independent professional services, built on three excellent foundations: our pensions, corporate trusts and corporate services businesses.

We operate globally, with offices in UK, Cayman Islands, Channel Islands, Delaware, Dublin, Hong Kong and New York.

Contact Information

Denis Jackson	Katie Thorpe
Chief Executive Officer	Chief Financial Officer
Email: denis.jackson@lawdeb.com	Email: katie.thorpe@lawdeb.com
Tel: +44 (0) 207 606 5451	Tel: +44 (0) 207 606 5451

Important information

The Law Debenture Corporation p.l.c. currently conducts its affairs so that its ordinary shares are capable of being recommended by independent financial advisors to ordinary retail investors in accordance with relevant FCA rules. Our ordinary shares are, we consider, mainstream investment products because they are shares in an investment trust. The Corporation intends to continue conducting its affairs for the foreseeable future so that the ordinary shares can continue to be categorised as mainstream.

Tax assumptions may change if the law changes, and the value of tax relief will depend upon your individual circumstances. The views, information and data in this publication should not be deemed as a financial promotion or recommendation. The Law Debenture Corporation p.l.c. is not authorised to give financial advice and nothing in this Factsheet is intended to be an inducement to buy, sell or hold our shares. This factsheet is not, and is not intended to be, a financial promotion.