

Factsheet 31 August 2020

Fair value of independent professional services business (IPS)

Performance data and trust statistics include the fair value of the 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 August, the net asset value (on a cum income basis with debt at fair value) rose 5.8%, while the FTSE All-Share benchmark increased by 2.4%. Within this, a rise in bond yields meant the fair value of the debt was moved downwards. Keeping debt at par, the net asset value rose 4.8%.

One of the largest positive contributors to relative performance during the month was Provident Financial, a personal credit provider. Provident Financial reported encouraging lending growth figures for the first half of the year. Traction in digital servicing of customers during the lockdown period provides ongoing cost cutting potential for the business. While, the capital position was stronger than expectations and allays liquidity concerns. The largest negative contributor to performance was Severn Trent, a water utility. The utilities sector underperformed the broader market during the month as the market became more comfortable with the path to economic recovery and rotated out of defensive companies.

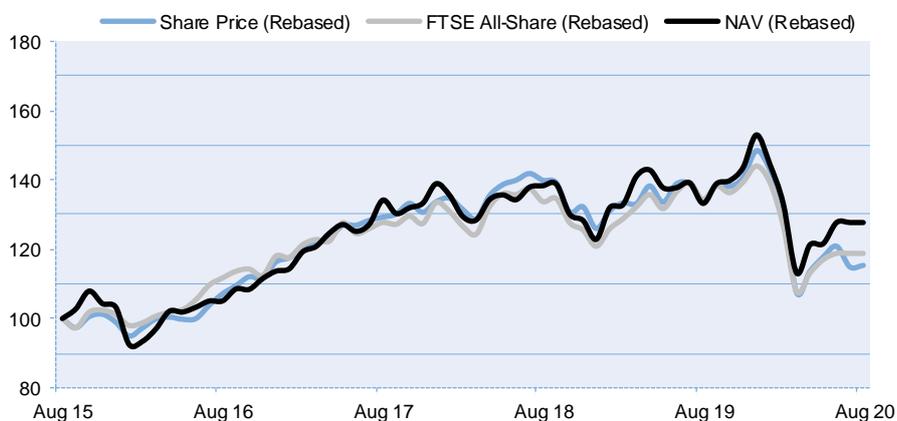
During August, we opened a position in GRIT Real Estate Income Group, a real estate investment company that holds a range of assets in Africa. The company is trading on an attractive valuation and the recent trading update showed good levels of rent collections despite the current environment. 94% of rents are collected in hard currencies which reduces FX risk and underpins a strong dividend yield. We exited Flutter Entertainment during the month after a period of strong performance.

Performance over	1yr	3yrs	5yrs	10yrs
Share price total return ²	-0.1%	-0.8%	33.1%	153.4%
Net asset value total return ¹	-9.3%	-6.0%	21.5%	123%
FTSE Actuaries All-Share total return ²	-12.6%	-8.2%	17.3%	77.6%

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 (Aug 2015 = 100)



Trust statistics

NAV (debt at fair value)			
NAV per ordinary share (cum income) ¹	546.88p	Gross total assets ²	£807m
NAV per ordinary share (ex income) ¹	537.68p	Group gearing – AIC (net) ²	16%
Share price (code LWDB)	539p	Yield ²	5.2%
Premium/(discount) (cum income)	(0.95)%	Ongoing charges ³	0.48%

¹ Net 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

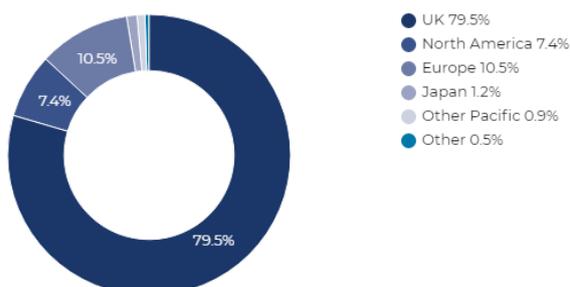
² Source: AIC and AIC methodology

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

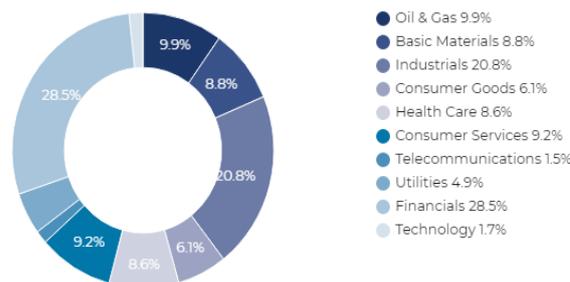
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

Factsheet

Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Herald Investment Trust	1.87%
Hipgnosis Songs Fund	1.26%
Scottish Oriental Small Co	0.0%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

GlaxoSmithKline	3.56%	Relx	1.84%
Ceres Power	3.07%	National Grid	1.72%
Rio Tinto	2.51%	Severn Trent	1.68%
Royal Dutch Shell	1.92%	Prudential Corp	1.65%
Dunelm	1.92%	AstraZeneca	1.49%

Trust information

Sector	Global Growth	Dividend payment	April, July, Oct, January
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 a global investment trust, listed on the London Stock Exchange. Our portfolio of investments is managed by Henderson Global Investors Limited under a contract terminable by either side on six months' notice.

Secondly, we are a leading provider of independent professional services. Our activities are corporate trusts, pension trusts, corporate services (including agent for service of process), governance services and whistle blowing services.

We have offices in London, Cayman Islands, Channel Islands, Delaware, Dublin, Hong Kong, New York, and Sunderland.

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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.