

**Investment Objective** Achieving long-term capital growth in real terms and steadily increasing income. Our aim is to achieve a higher rate of total return than the FTSE Actuaries All-Share Index Total Return through investing in a diversified portfolio of stocks.

## Fund Managers' Comments

In April, the net asset value (on a cum income basis with debt at fair value) rose 3.6% while the FTSE All-Share benchmark increased by 4.3%.

The largest positive contributor to relative performance during the month was Elementis, a specialty chemicals company. The shares rose strongly on reports that the company was bid for by Innospec. The offer was rejected by the board but we see the approach as a good indication of the underlying value of the company that remains unappreciated at the current share price. The largest detractor from relative returns was Accsys Technologies, a sustainable wood transformation company, which reported a good set of results but is experiencing delays to bringing a factory's capacity on board.

During the month, we initiated a position in Jubilee Metals, a platinum mining company, which we see as well positioned to benefit from a tight supply demand market. We closed our position in Foresight Solar Fund on concerns that there is minimal upside from current levels if energy prices fall.

James Henderson and Laura Foll, Janus Henderson

## LWDB

|                           |                  |
|---------------------------|------------------|
| <b>Launch date</b>        | 12 December 1889 |
| <b>Financial year end</b> | 31 December      |
| <b>Market cap</b>         | £918.09m         |
| <b>Benchmark</b>          | FTSE All Share   |
| <b>AIC sector</b>         | UK Equity Income |

## Portfolio Information

|   |             |
|---|-------------|
| <b>NAV (debt at fair value)</b>           | £891.41m    |
| <b>NAV per ordinary share</b>             | 738.40p     |
| <b>Share price</b>                        | 749.00p     |
| <b>Premium / (Discount)</b>               | 1.44%       |
| <b>AIC gross total assets</b>             | £1,046m     |
| <b>AIC gearing - AIC (net)</b>            | 12.00%      |
| <b>Dividend quarterly</b>                 | 8.00p       |
| <b>AIC dividend yield</b>                 | 2.64%       |
| <b>Next expected dividend declaration</b> | 26 May 2021 |
| <b>Ongoing charges</b>                    | 0.55%       |
| <b>Management fee</b>                     | 0.30%       |
| <b>Performance fee</b>                    | No          |

## Performance Overview



|   | YTD % | 1 year % | 3 years % | 5 years % | 10 years % |
|---|-------|----------|-----------|-----------|------------|
| NAV total return <sup>2*</sup> (with debt at par) <sup>1</sup>        | 12.0  | 45.6     | 26.1      | 70.5      | 161.1      |
| NAV total return <sup>2*</sup> (with debt at fair value) <sup>1</sup> | 14.5  | 49.4     | 25.3      | 69.0      | 152.4      |
| FTSE Actuaries All-Share Index total return <sup>2</sup>              | 9.7   | 25.9     | 7.7       | 39.9      | 81.0       |
| Share price total return <sup>2</sup>                                 | 9.8   | 56.4     | 41.2      | 85.8      | 192.3      |
| Share price <sup>2</sup>  | 8.6   | 50.7     | 25.7      | 55.7      | 108.9      |

<sup>1</sup> NAV is calculated in accordance with the Association of Investment Companies (AIC) methodology, based on performance data held by Law Debenture including fair value of IPS business and long-term borrowings.  
<sup>2</sup> Source: Refinitiv.

132 years

of value creation for shareholders

+81%

outperformance of benchmark over ten years

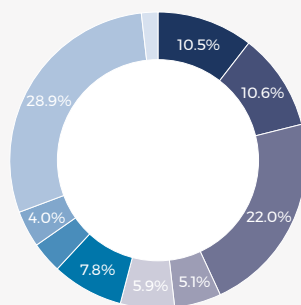
40+ years

of increasing or maintaining dividends

## Top Equity Portfolio Holdings (%)

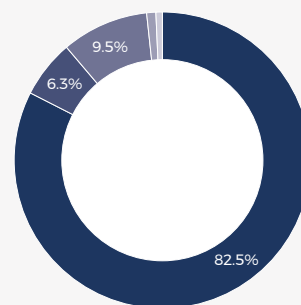
|    |                   |     |
|----|-------------------|-----|
| 1  | Rio Tinto         | 2.5 |
| 2  | GlaxoSmithKline   | 2.4 |
| 3  | HSBC              | 2.1 |
| 4  | Barclays          | 2.1 |
| 5  | Ceres Power       | 1.9 |
| 6  | BP                | 1.9 |
| 7  | Royal Dutch Shell | 1.8 |
| 8  | Royal Mail        | 1.6 |
| 9  | Prudential Corp   | 1.6 |
| 10 | Anglo American    | 1.5 |

## Sector Breakdown



|                    |       |
|--------------------|-------|
| Oil & Gas          | 10.5% |
| Basic Materials    | 10.6% |
| Industrials        | 22.0% |
| Consumer Goods     | 5.1%  |
| Health Care        | 5.9%  |
| Consumer Services  | 7.8%  |
| Telecommunications | 3.4%  |
| Utilities          | 4.0%  |
| Financials         | 28.9% |
| Technology         | 1.8%  |

## Regional Breakdown



|                |       |
|----------------|-------|
| United Kingdom | 82.5% |
| North America  | 6.3%  |
| Europe         | 9.5%  |
| Japan          | 1.0%  |
| Other Pacific  | 0.7%  |

## Equity Portfolio

Managed by James Henderson and Laura Foll of Janus Henderson

### OBJECTIVE: LONG-TERM CAPITAL GROWTH IN REAL TERMS & STEADILY INCREASING INCOME

- Focused on long-term returns
- Contrarian investment style:
  - Out of favour equities standing at valuation discounts to their long-term historical average
  - High quality companies with strong competitive advantage at attractive valuations
- Selective, bottom-up approach
- Diversified portfolio by sector and geography (predominant UK weighting)

## Independent Professional Services (IPS) business

### PENSIONS

The longest established and largest UK provider of independent pension trustees

### CORPORATE TRUST

A leading independent corporate trustee across international capital markets

### CORPORATE SERVICES

Range of outsourced solutions to corporates internationally

### INTERNATIONAL PRESENCE

United Kingdom, Cayman Islands, Channel Islands, Delaware, Dublin, Hong Kong and New York

All divisions have further potential for growth through market share gains, alongside better leveraging technology, strong relationships and a high quality brand

Significant, consistent income contribution from IPS gives greater flexibility in stock selection

## James Henderson and Laura Foll – Joint Portfolio Managers

James and Laura have been working together for over ten years managing UK income portfolios. They have a valuation-focused, moderately contrarian approach, aiming to identify good quality companies at the point where they are temporarily out of favour.

### Denis Jackson – CEO

Appointed as CEO in 2018. Denis was formerly the director of new business enterprise at Capita and joined Law Debenture as Chief Commercial Officer in 2017. Prior to that, he spent 20 years at Citigroup before becoming regional general manager for Tibra Trading Europe Limited.

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### Hester Scotton – CFO

Hester joined Law Debenture in 2019 as Head of Internal Controls & Group MLRO and was then promoted to CFO in September 2020. She qualified as a Chartered Accountant at Ernst & Young and also has experience at Legal & General, Bupa and Marks & Spencer.

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### Trish Houston – COO

Trish was appointed as COO in September 2020. She is a Chartered Accountant and Member of the Chartered Institute of Securities and Investments, and previously held roles at JDx Consulting Limited, Ruffer LLP and PwC.

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