

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 August, the net asset value (on a cum income basis with debt at fair value) rose 4.0% while the FTSE All-Share benchmark increased by 2.7%.

The largest positive contributor to relative performance was Meggitt, an aircrafts and parts engineering company. During the month, Meggitt received a takeover offer at a substantial premium to the pre-bid price. The elevated acquisition activity in the UK market gives credence to our view that the UK market remains significantly undervalued versus other regions. One of largest detractors to relative performance was auto manufacturer, General Motors (GM). The shares underperformed after discovering a manufacturing defect in batteries produced by one of their suppliers for their electronic vehicles. We see the company as being able to mitigate future issues by bolstering their inspection processes.

We are net buyers of UK shares. Recent UK company results were strong, and businesses have lowered their cost bases over the last 18 months. As sales recover, we are seeing good levels of margin expansion, particularly amongst the industrial companies we hold. This is leading to better cash generation and an improved dividend outlook.

James Henderson and Laura Foll, Janus Henderson

LWDB

Launch date	12 December 1889
Financial year end	31 December
Market cap	£991.81m
Benchmark	FTSE All Share
AIC sector	UK Equity Income

Portfolio Information

NAV (debt at fair value)	£969.86m
NAV per ordinary share	792.33p
Share price	804.00p
Premium / (Discount)	1.47%
AIC gross total assets	£1,127m
AIC gearing - AIC (net)	12.00%
Dividend quarterly	6.8750p
AIC dividend yield	2.48%
Next expected dividend declaration	30 September 2021
Ongoing charges	0.50%
Management fee	0.30%
Performance fee	No

Performance Overview



	YTD %	1 year %	3 years %	5 years %	10 years %
NAV total return ^{2*} (with debt at par) ¹	21.1	47.0	32.3	66.7	201.5
NAV total return ^{2*} (with debt at fair value) ¹	23.9	51.2	31.3	71.5	191.7
FTSE Actuaries All-Share Index total return ²	14.7	26.9	11.4	33.3	110.2
Share price total return ²	18.9	54.3	48.5	95.4	227.7
Share price ²	16.5	49.2	32.2	64.1	135.1

¹ 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.
² Source: Refinitiv.

132 years

of value creation for shareholders

+72%

outperformance of benchmark over ten years

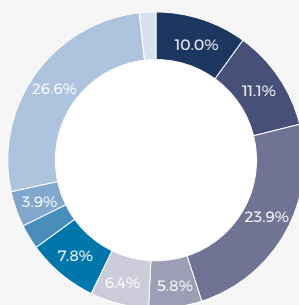
40+ years

of increasing or maintaining dividends

Top Equity Portfolio Holdings (%)

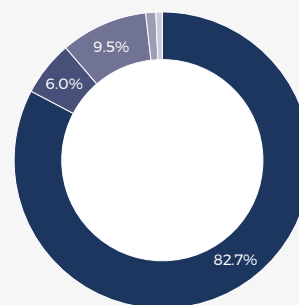
1	GlaxoSmithKline	2.5
2	Rio Tinto	2.0
3	Barclays	2.0
4	Royal Dutch Shell	1.8
5	BP	1.7
6	HSBC	1.7
7	Ceres Power	1.6
8	Morgan Advanced Materials	1.6
9	Senior	1.5
10	Herald Investment Trust	1.5

Sector Breakdown



Oil & Gas	10.0%
Basic Materials	11.1%
Industrials	23.9%
Consumer Goods	5.8%
Health Care	6.4%
Consumer Services	7.8%
Telecommunications	2.7%
Utilities	3.9%
Financials	26.6%
Technology	1.8%

Regional Breakdown



United Kingdom	82.7%
North America	6.0%
Europe	9.5%
Japan	1.1%
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 the overall market growth for these services and 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.

Email: Denis.Jackson@lawdeb.com

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.

Email: Hester.Scotton@lawdeb.com

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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