

The Law Debenture Corporation p.l.c.

Factsheet - 31 December 2013

Company history

From its origins in 1889, Law Debenture has diversified to become a group with a unique range of activities in the financial services sector. 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 6 months' notice.

Secondly, we are a leading provider of independent fiduciary services. Our activities are corporate trusts, treasury and agency solutions, pension trusts, corporate services (including agent for service of process), governance services and whistle blowing services. We have offices in London, Sunderland, New York, Delaware, Hong Kong and the Channel Islands.

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 manager's comments – James Henderson

December was a strong month for the Trust as UK equity markets reacted positively to the news that the unemployment rate had fallen to 7.4%, its lowest level since 2009.

During the month we added to the position in AstraZeneca, as it remains lowly rated on measures such as price/earnings but is taking genuine measures to improve the effectiveness of its research and development. We took the opportunity to trim some positions that had performed well, such as BTG and IP Group.

While the UK equity market has re-rated during 2013, earnings multiples for positions held in the Trust remain fair, and companies remain disciplined with regards to their capital spend and M&A. While there are worries that margins generated by UK companies are unsustainably high, many companies held in the Trust have fundamentally changed their business model to operate in more niche, value-added areas and therefore margins can be maintained if not grown further.

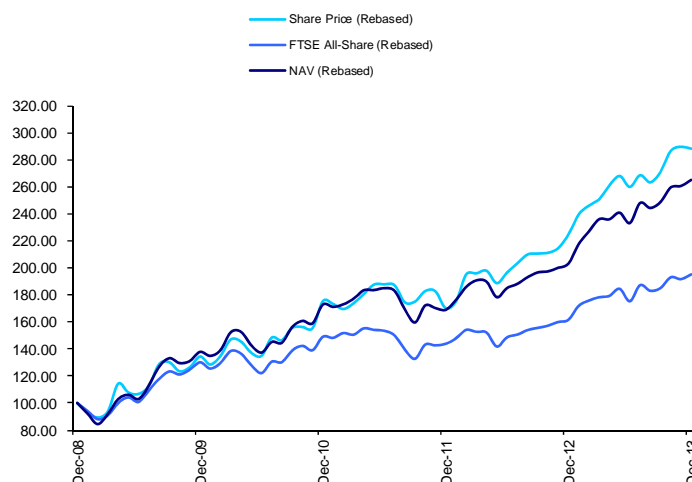
Trust information

Sector	Global Growth
Benchmark	FTSE All-Share index
Trust type	Conventional (Ords)
Launch date	December 1889
Financial year end	31 December
Dividend payment	April, September
Last ex div date	14 August 2013
Management fee (based on NAV)	0.30%
Performance fee	No
Ongoing charges	0.45%

Trust statistics

Gross total assets	£634m
NAV per ordinary share (cum income)	482.3p
NAV per ordinary share (ex income)	471.5p
Share price (code LWDB)	529.0p
Premium/(discount) (cum income)	9.7%
NAV (debt at fair value)	
NAV per ordinary share (cum income)	477.3p
NAV per ordinary share (ex income)	466.5p
Group gearing – AIC (net)	5%
Group gearing – excluding fixed interest (net)	6%
Yield	2.7%

Performance (December 2008 = 100)



* Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	28.3%	64.3%	188.1%	241.5%
Net asset value (total return)	28.6%	51.5%	156.6%	231.9%
FTSE All-Share (total return)	20.8%	31.0%	95.2%	131.6%

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.

* Performance source: Morningstar (1 yr, 3 yrs & 5 yrs based on debt at fair value)

Geographic breakdown

UK	76.6%
North America	8.3%
Europe	6.7%
Other Pacific	5.6%
Japan	2.8%
OEICs included above:	
Henderson Japan Capital Growth	2.4%
Henderson Asia Pacific Capital Growth	2.1%
Baillie Gifford Pacific	1.9%
First State Asia Pacific	1.6%

Sector breakdown

Industrials	25.1%
Financials	12.9%
Consumer Goods	10.7%
Oil & Gas	10.4%
Pooled Equity Investments	10.4%
Consumer Services	9.3%
Health Care	8.8%
Basic Materials	6.3%
Utilities	3.3%
Technology	2.2%
Telecommunications	0.6%

Top Ten Equity Holdings (excluding OEICs)

Senior	3.0%	HSBC	2.0%
GKN	2.8%	Amlin	1.9%
BP	2.7%	Rio Tinto	1.9%
Royal Dutch Shell	2.3%	Interserve	1.7%
GlaxoSmithKline	2.0%	Smith (DS)	1.7%

Contact

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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 you are reminded that you have indicated your acceptance of the "Important Information" section of our website before accessing this Factsheet.