

Law Debenture

Factsheet 28 February 2017

Fair value of independent fiduciary services business (IFS)

Performance data and trust statistics include the fair value of the IFS, which uplifted the NAV by 62.4p per share.

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

February was a disappointing month for the Trust relative to the benchmark, although in absolute terms it grew its net assets. On a total return basis its net asset value rose 2.1% (with debt at fair value) relative to the FTSE All-Share which rose 3.1%. This underperformance was partly due to a fall in bond yields causing an upward revaluation of the private placement (keeping debt at par the net asset value rose 2.7%). There were also a number of stock specific factors, including Interserve and Senior.

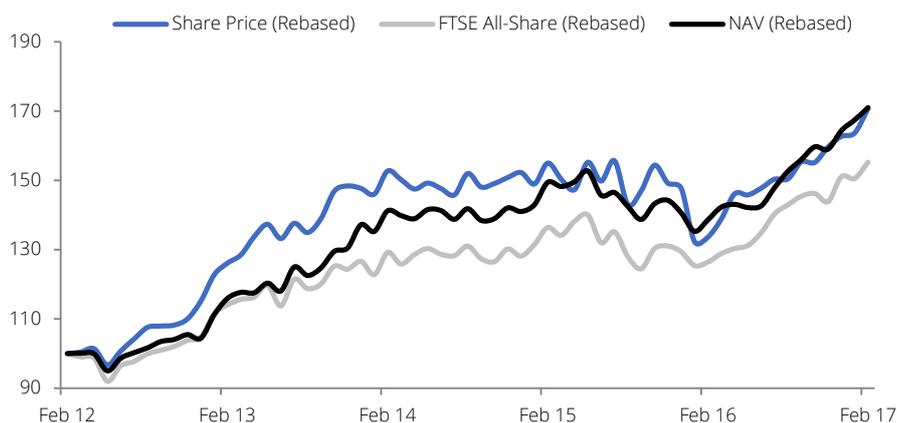
Senior, which manufactures engineering products primarily for the aerospace industry, has downgraded earnings expectations for 2017 as their margins continue to fall. This is because of weakness in a number of their end markets (such as North American heavy trucks). We continue to hold our position in Senior as we think we are reaching the point of 'maximum pain' with regards earnings downgrades and Senior exhibits a number of strong long-term characteristics (namely technical expertise and high barriers to entry). In the case of Interserve, we have been disappointed by the scale at which provisions have needed to increase as a result of their problematic energy from waste contracts. We have continued to hold the position pending the arrival of a new Chief Executive.

During the month we added to our existing position in Rolls-Royce. While the cash generation currently looks poor as they are investing heavily in ramping up production of new engines, looking out to 2020 the cash generation should improve markedly. This higher cash generation should ultimately be returned to shareholders via dividends. We also reduced the holding in Deere. The management team have done an excellent job of reducing costs in difficult end markets, but the shares have re-rated substantially and we felt it was prudent to take profits.

*Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	27.7%	11.8%	70.7%	126.6%
Net asset value (total return)	23.4%	21.1%	71.0%	132.1%
FTSE All-Share (total return)	22.8%	20.1%	55.3%	77.3%

*Performance source: Morningstar (1 yr, 3 yrs & 5 yrs based on debt at fair value and including fair value of IFS businesses).

Performance (February 2012 = 100)



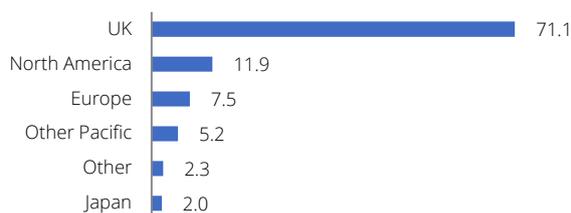
*Trust statistics

NAV (debt at fair value)			
NAV per ordinary share (cum income)	617.4p	Gross total assets	£874m
NAV per ordinary share (ex income)	603.9p	Group gearing – AIC (net)	7.0%
Share price (code LWDB)	556.0p	Yield	3.0%
Premium/(discount) (cum income)	-10.0%	Ongoing charges	0.45%

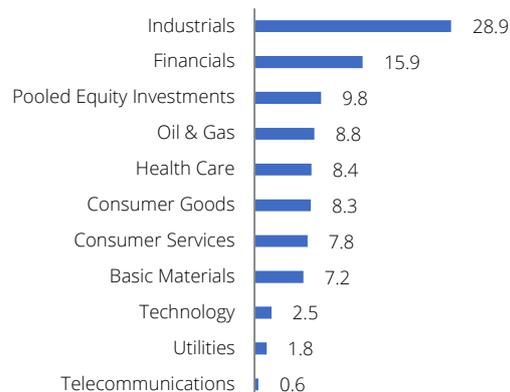
*Trust statistics are based on debt at fair value and including fair value of IFS business.

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.

Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Baillie Gifford Pacific	2.2%
Stewart Investors Asia Pacific	2.1%
Templeton Emerging Markets Investment Trust	1.4%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Royal Dutch Shell	3.3%	BP	2.0%
Rio Tinto	2.4%	GlaxoSmithKline	1.7%
HSBC	2.4%	Prudential	1.6%
GKN	2.3%	BAE Systems	1.6%
Rolls Royce	2.2%	Relx	1.6%

Trust information

Sector	Global Growth	Dividend payment	April, September
Benchmark	FTSE All-Share index	Last ex div date	11 August 2016
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 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 six months' notice.

Secondly, we are a leading provider of independent fiduciary 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, Sunderland, New York, Delaware, Hong Kong and the Channel Islands.

Contact Information

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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.