

Law Debenture

Factsheet 30 June 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

June was a weak month for the Trust and for the UK equity market; the net asset value on a total return basis (with debt at fair value) fell 0.7% relative to a 2.5% fall in the FTSE All-Share. A rise in bond yields meant that fair valuing the debt was a positive contributor to returns – absent this fair value movement the net asset value total return was down 1.0%.

Among the best performers was Watkin Jones, a contractor that builds student accommodation and private houses specifically designed for rent. They are gaining good traction in their builds for the private residential sector, which are being bought by those wishing to match long term liabilities with a reliable income stream, such as Legal & General.

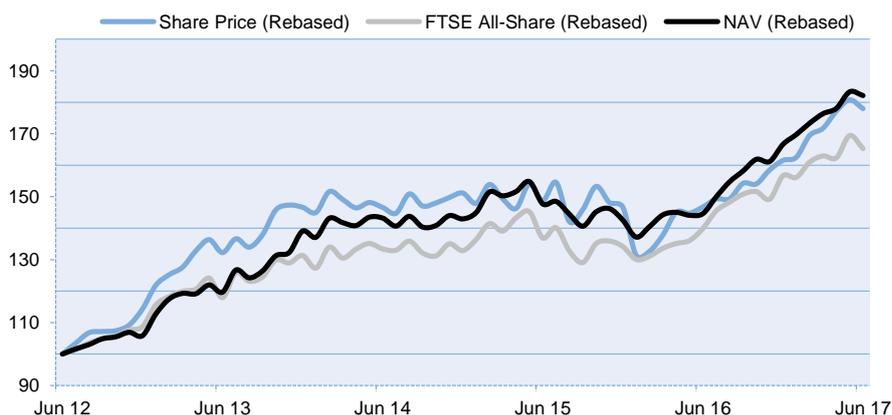
The largest (active) individual detractor was Provident Financial, which provides door to door lending and credit cards in the UK. They are in the process of moving their self-employed agents in door to door lending to fully employed staff. This is causing transitional problems of agent vacancies and as a result they had to lower earnings forecasts for the home credit division.

We were a modest net seller during the month and reduced a number of holdings where valuations are beginning to look stretched. This included Lockheed Martin, Applied Materials, Johnson & Johnson and Unilever. All are businesses with good fundamentals, however what we are finding in the current market is that those companies that have earnings momentum continue to be re-rated upwards and we need to stick to our valuation disciplines.

*Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	21.3%	21.4%	78.0%	126.6%
Net asset value (total return)	25.9%	27.2%	82.1%	129.0%
FTSE All-Share (total return)	18.1%	23.9%	65.2%	68.5%

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

Performance (June 2012 = 100)



*Trust statistics

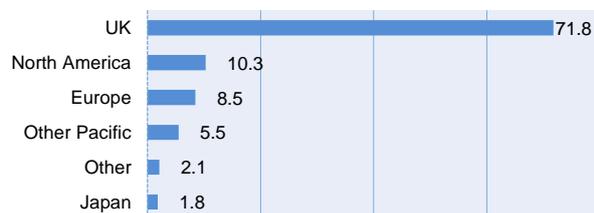
NAV (debt at fair value)			
NAV per ordinary share (cum income)	636.8p	Gross total assets	£896m
NAV per ordinary share (ex income)	626.2p	Group gearing – AIC (net)	6.0%
Share price (code LWDB)	572.0p	Yield	2.9%
Premium/(discount) (cum income)	-10.2%	Ongoing charges	0.43%

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

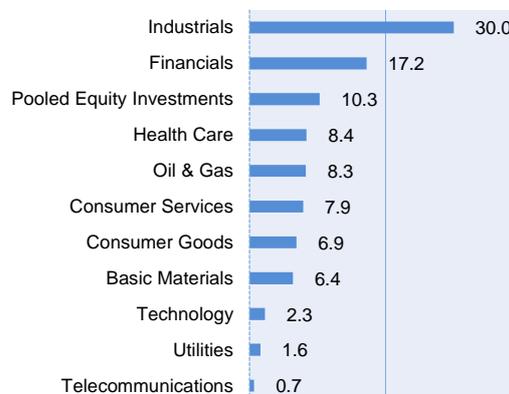
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Baillie Gifford Pacific	2.4%
Stewart Investors Asia Pacific	2.1%
Templeton Emerging Markets Investment Trust	1.4%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Royal Dutch Shell	3.1%	Senior	1.8%
HSBC	2.6%	Prudential	1.8%
Rolls Royce	2.3%	Relx	1.7%
GKN	2.0%	GlaxoSmithKline	1.7%
BP	1.9%	Rio Tinto	1.7%

Trust information

Sector	Global Growth	Dividend payment	April, September
Benchmark	FTSE All-Share index	Last ex div date	16 March 2017
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, the Channel Islands, Delaware, Hong Kong, Ireland, 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.