

Law Debenture

Factsheet 31 July 2017

Fair value of independent professional services business (IPS)

Performance data and trust statistics include the fair value of the IPS, which uplifted the NAV by 66.0p 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

July was a good month for the Trust; the net asset value rose 1.8% on a total return basis (with debt at fair value) relative to a 1.2% rise in the FTSE All-Share. One third of this upward movement was because of our half yearly revaluation of the independent professional services business. A fall in bond yields meant that fair valuing the debt modestly reduced the net asset value.

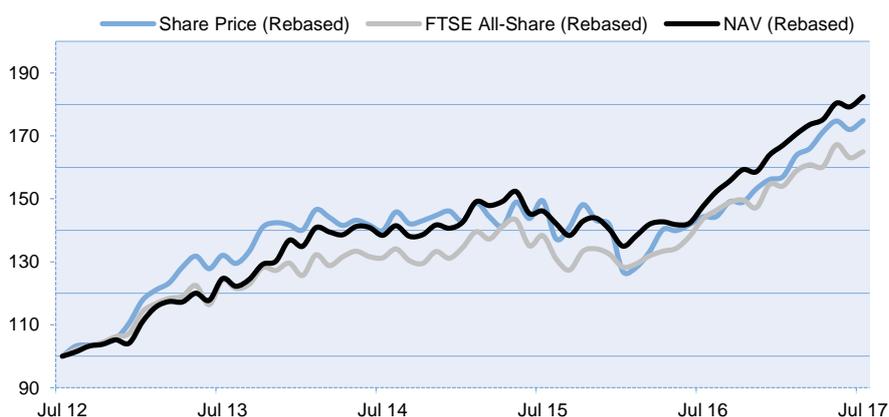
The best performing stock was Cape, which provides services such as insulation primarily to the energy industry. This received a cash bid approach at a sizeable premium from a French company. A number of our industrial holdings, such as Senior and Morgan Advanced Materials, also performed well following reassuring first half results. On the whole as we are now a good way through first half results reporting from companies, we are encouraged by the levels of organic growth being achieved, often driven by a pick-up in growth from Asia and Europe.

The worst performing stock was Carillion. Within their contracting division they have found a number of problematic contracts for which they have had to take a sizeable provision. Having met the company we have decided to maintain the position. We are awaiting the outcome of a review into the business, likely be announced in September. We remain cautious with purchases. The equity market is eight years into an upturn and valuations are modestly above long term averages. This month we made two additions to existing holdings – Pacific Industrial & Logistics, a logistics REIT that raised money to purchase two new assets on attractive yields, and Eddie Stobart Logistics. We continued to reduce holdings where valuations look high relative to history including US medical device company Becton Dickinson and consumer staples company Unilever.

*Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	21.2%	25.0%	74.9%	129.4%
Net asset value (total return)	23.7%	31.8%	82.5%	138.8%
FTSE All-Share (total return)	14.9%	25.7%	65.0%	76.3%

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

Performance (July 2012 = 100)



*Trust statistics

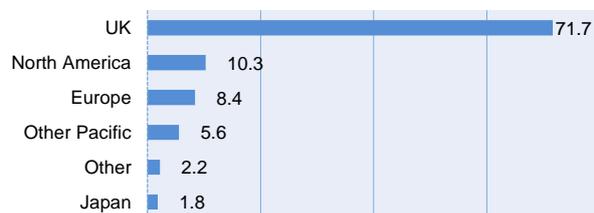
NAV (debt at fair value)			
NAV per ordinary share (cum income)	648.4p	Gross total assets	£910m
NAV per ordinary share (ex income)	636.8p	Group gearing – AIC (net)	6.0%
Share price (code LWDB)	581.5p	Yield	2.9%
Premium/(discount) (cum income)	-10.3%	Ongoing charges	0.43%

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

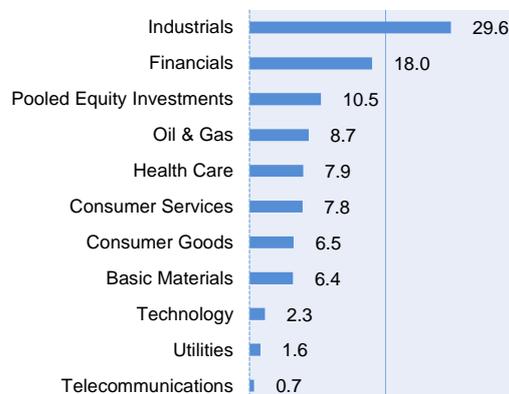
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Baillie Gifford Pacific	2.5%
Stewart Investors Asia Pacific	2.1%
Templeton Emerging Markets Investment Trust	1.5%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Royal Dutch Shell	3.2%	BP	1.9%
HSBC	2.7%	Prudential	1.8%
Rolls Royce	2.3%	Rio Tinto	1.8%
GKN	2.0%	Johnson Service	1.7%
Senior	1.9%	Relx	1.7%

Trust information

Sector	Global Growth	Dividend payment	April, September
Benchmark	FTSE All-Share index	Last ex div date	10 August 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 and professional services sectors. 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 professional 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, Cayman Islands, Channel Islands, Delaware, Dublin, Hong Kong, 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.