

Law Debenture

Factsheet 31 August 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

August was a positive month for the Trust in absolute terms although it underperformed the broader market. The Trust's net asset value rose 0.7% (on a total return basis with debt at fair value) relative to the FTSE All-Share which rose 1.4%. Within this a downward movement in bond yields meant that the debt detracted from returns (keeping debt at par the NAV would have risen 1.0%).

Among the largest detractors from performance at the stock level was Provident Financial, which is a provider of door to door lending and subprime credit cards in the UK. This fell materially following a profits warning deriving from a new agent model in their home lending business, and an FCA investigation into their credit card business. Ahead of the warning we had been reducing the shares on valuation grounds. Since the share price fell we have added back what we had sold. Over the long term this should be a high returning business, and we did not feel this was being factored into the shares.

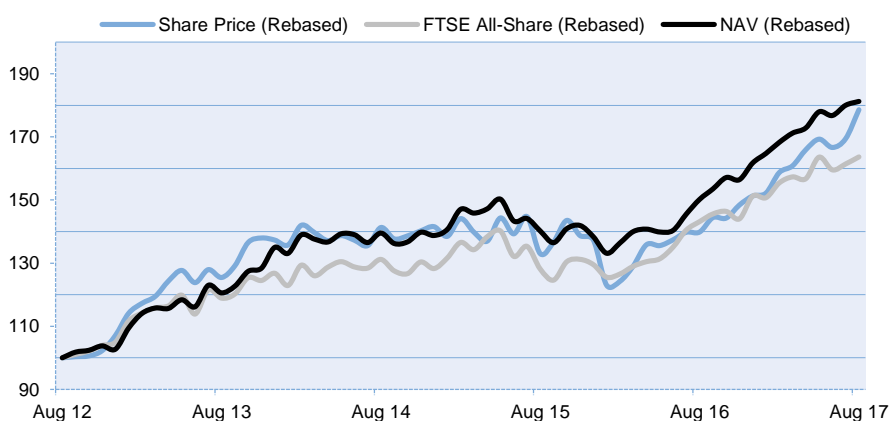
The largest positive contributor to performance was Senior, which makes components for the aerospace industry as well as industries including oil & gas and trucking. This reported encouraging first half results in which a number of their end markets seem to be inflecting, leading to earnings upgrades.

During the month we continued to modestly reduce gearing on the Trust, which now stands at 2% net assets. The largest individual sale was Imperial Brands, which had been a long held position; however, we have concerns regarding the speed of volume decline in traditional tobacco products and the strengths of their brands. Elsewhere sales tended to be companies that, while we like the fundamentals, have re-rated and therefore we felt it was prudent to take profits. This included Rolls Royce, Hill & Smith and International Consolidated Airline (British Airways).

*Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	27.7%	26.4%	78.6%	140.5%
Net asset value (total return)	20.7%	29.9%	81.2%	139.1%
FTSE All-Share (total return)	14.3%	24.8%	63.7%	79.2%

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

Performance (August 2012 = 100)



*Trust statistics

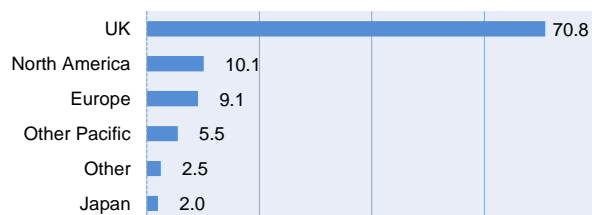
NAV (debt at fair value)			
NAV per ordinary share (cum income)	647.4p	Gross total assets	£912m
NAV per ordinary share (ex income)	638.1p	Group gearing – AIC (net)	2.0%
Share price (code LWDB)	607.5p	Yield	2.8%
Premium/(discount) (cum income)	-6.2%	Ongoing charges	0.43%

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

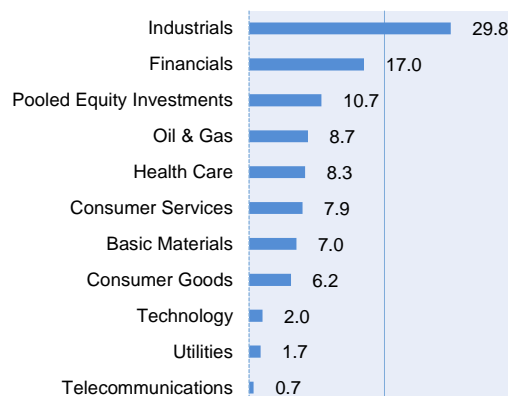
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Baillie Gifford Pacific	2.3%
Stewart Investors Asia Pacific	2.2%
Templeton Emerging Markets Investment Trust	1.6%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Royal Dutch Shell	3.3%	BP	2.0%
HSBC	2.8%	Rio Tinto	2.0%
Senior	2.2%	Prudential	1.9%
Rolls Royce	2.1%	Relx	1.8%
GKN	2.0%	Johnson Service	1.8%

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.