

Law Debenture

Factsheet 30 September 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

September was a good month for the Trust; the net asset value rose 0.7% on a total return basis (with debt at fair value). This compares to the FTSE All-Share which fell 0.4%. The upward movement in bond yields was a positive for returns as it meant our debt was revalued downwards (absent this the net asset value total return was +0.1%).

The largest positive contributor to performance was IP Group, which invests in a portfolio of early stage companies from UK and US universities. This had been a poor performer since the announcement that it was attempting to acquire Touchstone Innovations and it had subsequently de-rated to below its best estimate of net asset value. While we were disappointed by the acquisition (as it effectively dilutes our holding in some of the more successful IP Group portfolio companies) we thought the share price reaction to the deal had been excessively negative and are pleased to see the shares re-rating.

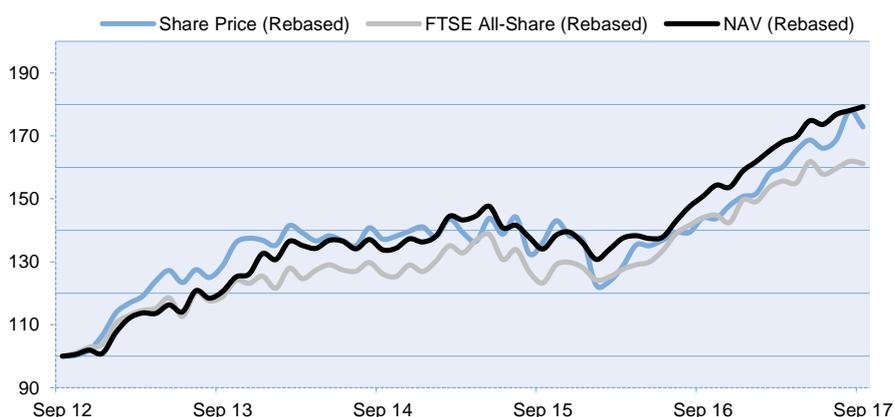
The largest detractor from performance was UK hospital operator Spire Healthcare, which provides hospital capacity to private medical insurance, people who are self-paying and the NHS. As a result of budget pressures on the NHS, the NHS are rationing less urgent treatment (causing waiting lists to increase) and this means demand for Spire's services is growing at a slower pace than anticipated.

During the month we continued to reduce equity gearing. We are finding that valuations in the market are becoming increasingly polarised. Good quality companies with strong management teams are trading on what are historically high earnings multiples, while those companies that look optically more attractively valued are tending to be of lower quality and often have little potential to grow earnings. We do not want to lower the average quality of the portfolio. Therefore where we are reducing holdings (such as Hill & Smith) we are tending not to rotate into new holdings but rather choosing to reduce gearing.

*Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	20.1%	26.0%	72.8%	131.7%
Net asset value (total return)	18.9%	34.0%	79.3%	136.5%
FTSE All-Share (total return)	11.9%	27.8%	61.2%	75.2%

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

Performance (September 2012 = 100)



*Trust statistics

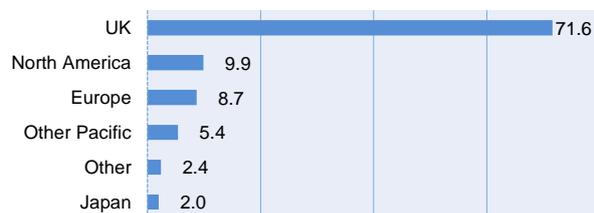
NAV (debt at fair value)			
NAV per ordinary share (cum income)	651.8p	Gross total assets	£912m
NAV per ordinary share (ex income)	641.5p	Group gearing – AIC (net)	1.0%
Share price (code LWDB)	590.0p	Yield	2.9%
Premium/(discount) (cum income)	-9.5%	Ongoing charges	0.43%

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

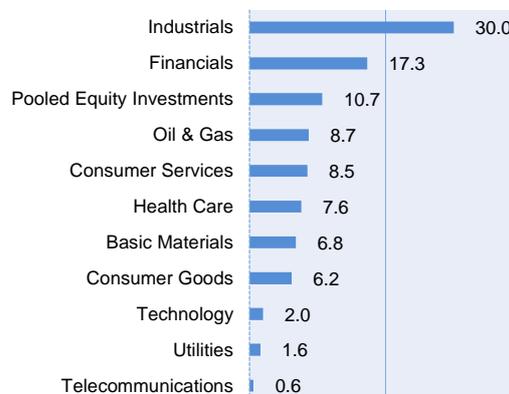
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Baillie Gifford Pacific	2.2%
Stewart Investors Asia Pacific	2.1%
Templeton Emerging Markets Investment Trust	1.6%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Royal Dutch Shell	3.6%	Rolls Royce	2.1%
HSBC	2.8%	Johnson Service	1.9%
Senior	2.3%	Prudential	1.9%
GKN	2.2%	Rio Tinto	1.9%
BP	2.2%	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.