

Law Debenture

Factsheet 31 January 2018

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

January was a broadly flat month for the Trust in absolute terms, although it outperformed the benchmark. The net asset value rose 0.2% on a total return basis (using debt at fair value) versus the FTSE All-Share which declined 1.9%. Within this, a rise in bond yields meant our debt was revalued downwards and this was positive for returns. Keeping debt at par, the net asset value declined 0.1%.

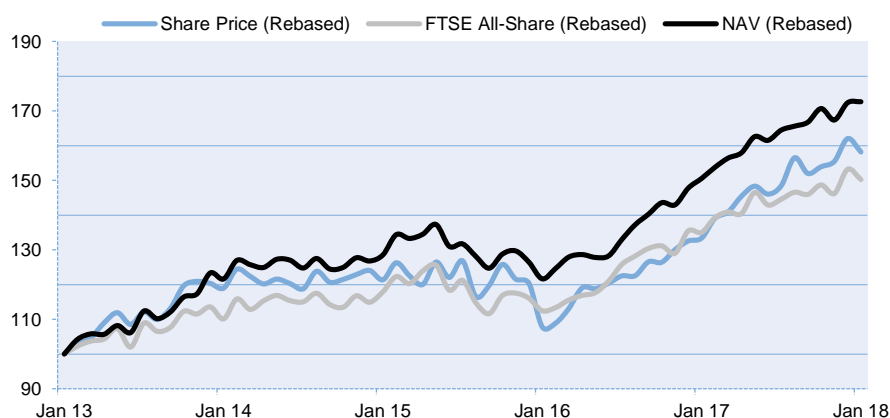
The largest positive contributor to returns was aerospace and auto parts manufacturer, GKN. The shares rose sharply following a takeover bid by Melrose. GKN management subsequently outlined a new cost cutting, capital allocation and company separation plan that aims to improve returns over the medium term. In our view, the new strategy and takeover offer provide shareholders with two viable approaches to unlocking value after a period of underperformance. The largest detractor from performance was renewable energy company, Velocys, which underperformed after announcing an equity fund raise.

The Trust added to its position in Velocys during the month, participating in small size in the equity fund raise. Velocys' waste management plant is now operational, showing their technology works as modelled, while the company's current valuation does not appear to appreciate the potential of their project pipeline. We continue to gently rotate the portfolio away from companies that are trading on high valuation multiples versus history. This month this included continuing to reduce the position in insurer, Hiscox, and taking some profits in GKN post the Melrose bid.

*Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	18.6%	30.0%	57.8%	163.4%
Net asset value (total return)	14.7%	34.2%	72.6%	151.8%
FTSE All-Share (total return)	11.3%	27.4%	50.3%	98.1%

* 1 yr, 3 yrs & 5 yrs based on debt at fair value and including fair value of IPS businesses.

Performance (January 2013 = 100)



*Trust statistics

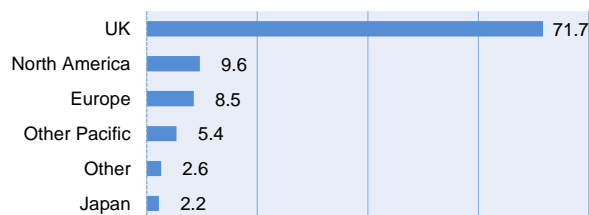
NAV (debt at fair value)			
NAV per ordinary share (cum income)	674.9p	Gross total assets	£939m
NAV per ordinary share (ex income)	659.6p	Group gearing / (net cash) – AIC (net)	-1.0%
Share price (code LWDB)	614.0p	Yield	2.8%
Premium/(discount) (cum income)	-9.0%	Ongoing charges	0.43%

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

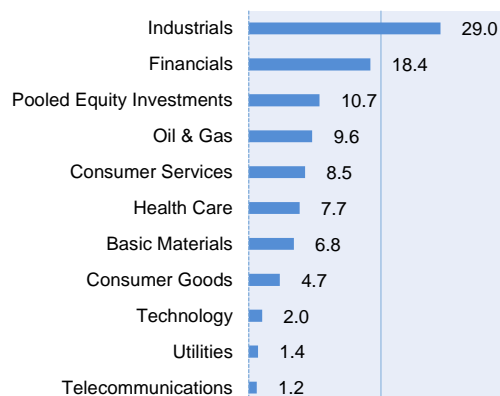
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Stewart Investors Asia Pacific	2.2%
Baillie Gifford Pacific	2.1%
Templeton Emerging Markets Investment Trust	1.7%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Royal Dutch Shell	4.3%	Rolls Royce	2.0%
HSBC	2.8%	Prudential	2.0%
BP	2.2%	GlaxoSmithKline	1.9%
Senior	2.2%	Johnson Service	1.8%
Rio Tinto	2.1%	Relx	1.6%

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 Janus Henderson Global Investors 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.