

# Law Debenture

## Factsheet 30 April 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 61.6p 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

April was a positive month for the Trust in absolute terms, although it underperformed the benchmark. The net asset value rose 5.2% on a total return basis (using debt at fair value) versus the FTSE All-Share which increased 6.4%, outperforming global markets (FTSE World ex UK +3.7%). 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 rose 4.8%.

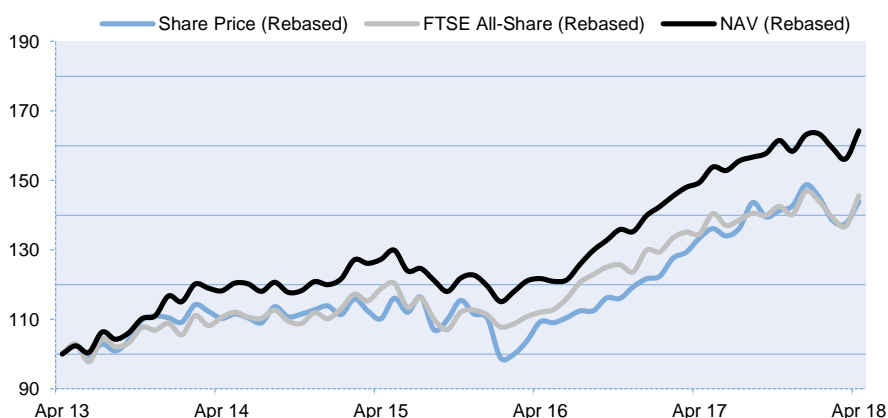
One of the largest positive contributors to returns was student housing developer, Watkin Jones, which reported strong financial results and emphasised good visibility on the build-to-rent pipeline. The valuation remains attractive and the dividend is growing. The largest detractor to returns was Applied Materials (AM), a semiconductor manufacturer. The shares declined in sympathy with the semiconductor sector after a peer issued a profit warning due to heavy exposure to Apple's iPhones. AM has more diversified end-market exposure than peers, positioning it better for a downturn in any one product.

We see opportunities in the market to purchase sound companies at reasonable valuations with good long term growth prospects. During the month, we opened a position in John Laing Infrastructure Fund. The company has been impacted by fears that infrastructure assets will be nationalised under a Corbyn government, despite the contracts held being long term in nature. We trimmed positions in Syncona and Baillie Gifford Overseas Growth Pacific fund after strong long term performance.

*Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	7.8%	30.4%	43.5%	158.0%
Net asset value (total return)	10.0%	29.1%	64.3%	144.6%
FTSE All-Share (total return)	8.2%	22.5%	45.6%	90.9%

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

### Performance (April 2013 = 100)



### \*Trust statistics

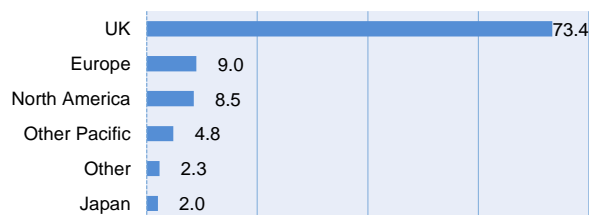
NAV (debt at fair value)			
NAV per ordinary share (cum income)	666.2p	Gross total assets	£926m
NAV per ordinary share (ex income)	660.1p	Group gearing / (net cash) – AIC (net)	5.0%
Share price (code LWDB)	596.0p	Yield	2.9%
Premium/(discount) (cum income)	-10.5%	Ongoing charges	0.43%

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

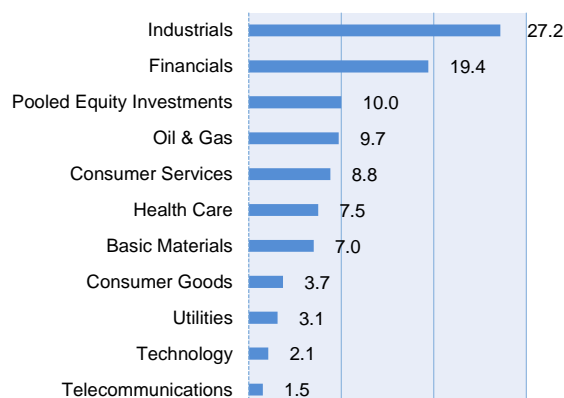
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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## Geographic breakdown (%)



## Sector Breakdown (%)



### Pooled Equity Investments include (%):

Stewart Investors Asia Pacific	2.1%
Baillie Gifford Pacific	1.7%
Templeton Emerging Markets Investment Trust	1.5%

### Top Ten Equity Holdings (excluding Pooled Equity Investments)

Royal Dutch Shell	4.3%	Rio Tinto	2.0%
HSBC	2.5%	Rolls Royce	1.8%
BP	2.3%	Prudential	1.8%
Senior	2.2%	Johnson Service	1.6%
GlaxoSmithKline	2.0%	Relx	1.5%

### Trust information

Sector	Global Growth	Dividend payment	April, September
Benchmark	FTSE All-Share index	Last ex div date	15 March 2018
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.

### Contact Information

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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.