

Law Debenture

Factsheet 31 May 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

May was a positive month for the Trust in absolute terms, although it underperformed the benchmark. The net asset value rose 2.4% on a total return basis (using debt at fair value) versus the FTSE All-Share which increased 2.8%. Within this, a decline in bond yields meant our debt was revalued upwards and this was negative for returns. Keeping debt at par, the net asset value rose 2.3%.

One of the largest positive contributors to returns was General Motors (GM). The shares rose after Softbank purchased a stake in GM's autonomous vehicle business for \$2.25bn. This deal implies a value for the business above market expectations, giving investors more faith in the technology. This supports our original thesis that the market was undervaluing the investments GM has made into emerging technologies. The largest detractor from returns was our underweight position in oil & gas. The sector performed well during May, as share prices caught up with the appreciation in oil prices. Of our holdings

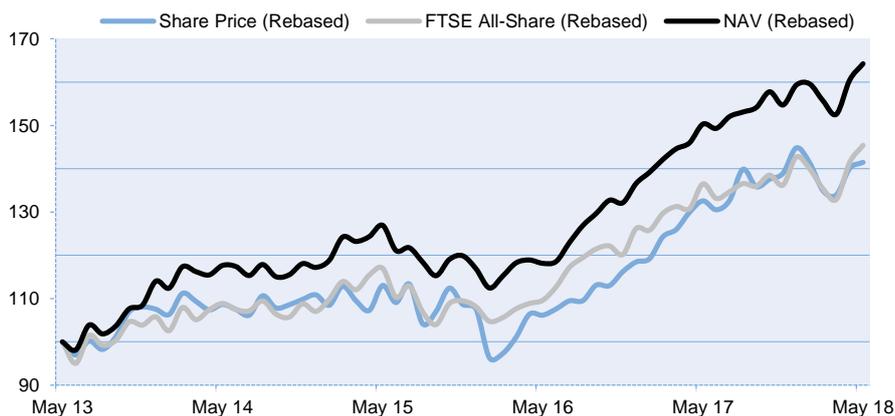
in this sector, we have a preference for companies that have improved their capital discipline to grow free cash flow and shareholder returns.

We see opportunities in the market to purchase sound companies at reasonable valuations with long term growth prospects. During May, we opened a position in Ryanair. We see the company's unit cost advantage as sustainable and, with the industry consolidating, long term pricing power is improving. We reduced our position in Syncona after a period of strong performance.

*Performance over	1yr	3yrs	5yrs	10yrs
Share price (total return)	6.7%	24.9%	41.1%	170.2%
Net asset value (total return)	9.3%	29.4%	64.3%	152.9%
FTSE All-Share (total return)	6.5%	24.3%	45.4%	96.6%

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

Performance (May 2013 = 100)



*Trust statistics

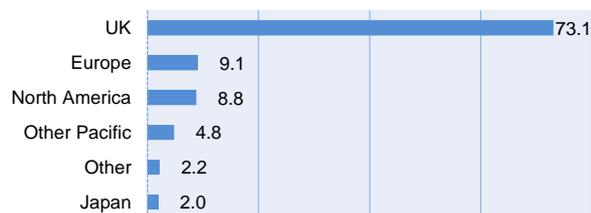
NAV (debt at fair value)			
NAV per ordinary share (cum income)	681.9p	Gross total assets	£945m
NAV per ordinary share (ex income)	673.3p	Group gearing / (net cash) – AIC (net)	5.0%
Share price (code LWDB)	602.0p	Yield	2.9%
Premium/(discount) (cum income)	-11.7%	Ongoing charges	0.43%

*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%
Herald Investment Trust	1.4%
Templeton Emerging Markets Investment Trust	1.4%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Royal Dutch Shell	4.3%	Rio Tinto	2.0%
HSBC	2.4%	Rolls Royce	1.7%
BP	2.4%	Prudential	1.7%
Senior	2.3%	Relx	1.6%
GlaxoSmithKline	2.1%	Smith (DS)	1.6%

Trust information

Sector	Global	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.

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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.