

Law Debenture

Factsheet 31 July 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 70.1p 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

During July, the Trust rose in absolute terms and outperformed the benchmark. The net asset value increased by 1.4% on a total return basis (using debt at fair value) versus the FTSE All-Share which increased 1.3%.

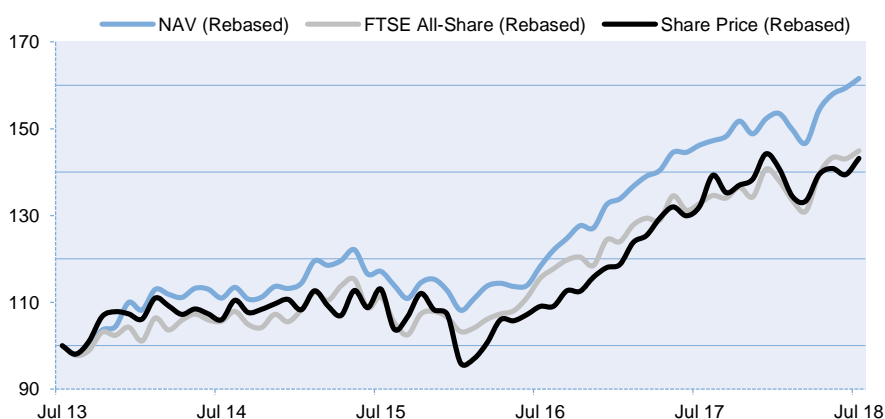
The largest positive contributor to returns was wood building materials producer, Accsys Technologies. The market reacted favourably to the news that investment company, VP Participaties BV, would invest in the company. The funding will provide Accsys with capital to tap new markets, like the US and Asia. The largest negative contributor to returns was measuring instruments manufacturer, Spectris, which reported disappointing financial results.

We see opportunities in the market to purchase sound companies at reasonable valuations with long term growth prospects. During July, we opened a position in Hipgnosis Songs Fund. The fund came to market at a reasonable yield and we believe that management will be able to sweat the back catalogue of songs better than the parties from which they bought the portfolio. A rise in music streaming means that bootlegging may reduce over time. These factors should drive growth in earnings and income for the fund. We sold the position in John Laing Infrastructure Fund after it was subjected to a bid.

Performance over	1yr	3yrs	5yrs	10yrs
Net asset value total return ¹	10.5%	38.0%	61.6%	176.6%
FTSE Actuaries All-Share total return	9.2%	30.2%	44.9%	121.9%
Share price total return	8.4%	26.7%	43.2%	197.9%

¹ Net Asset Value at fair value calculated in accordance with AIC methodology, based on performance data held by Law Debenture.

Performance (July 2013 = 100)



Trust statistics

NAV (debt at fair value)			
NAV per ordinary share (cum income) ¹	697.7p	Gross total assets ²	£962m
NAV per ordinary share (ex income)	685.5p	Group gearing / (net cash) – AIC (net) ²	6.0%
Share price (code LWDB)	612.0p	Dividend Yield ²	2.8%
Premium/(discount) (cum income)	-12.3%	Ongoing charges ²	0.43%

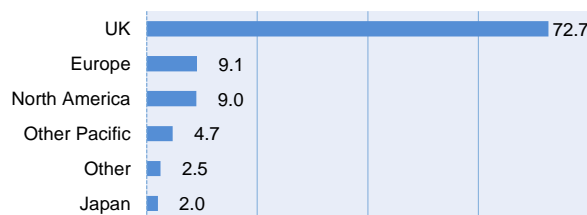
¹ Net Asset Value at fair value calculated in accordance with AIC methodology, based on performance data held by Law Debenture including fair value of the IPS businesses and long term borrowings.

² Source: AIC.

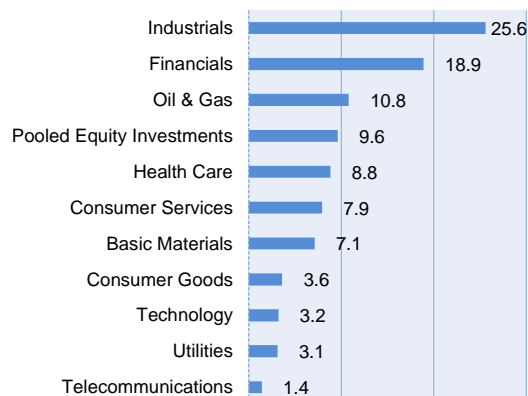
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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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	4.2%	Rolls Royce	2.1%
HSBC	2.5%	Rio Tinto	2.0%
BP	2.3%	Smith (DS)	1.8%
Senior	2.3%	Prudential	1.7%
GlaxoSmithKline	2.3%	Relx	1.6%

Trust information

Sector	Global	Dividend payment	April, September
Benchmark	FTSE All-Share index	Last ex div date	09 August 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 James Henderson of Janus Henderson 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 UK, Cayman Islands, Channel Islands, Delaware, Dublin, Hong Kong and New York.

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.