

## Factsheet 30 April 2020

### Fair value of independent professional services business (IPS)

Performance data and trust statistics include the fair value of IPS. The valuation of the IPS business was updated as at 31 December 2019, representing a fair value adjustment of 77.7p per share to the NAV of the group.

### 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

In April, the net asset value (on a cum income basis with debt at fair value) increased 5.6%, while the FTSE All-Share benchmark rose 4.9%. Within this, a decrease in bond yields meant the fair value of the trusts debt increased, resulting in a negative impact on the NAV. Keeping debt at par, the net asset value rose by 7.3%.

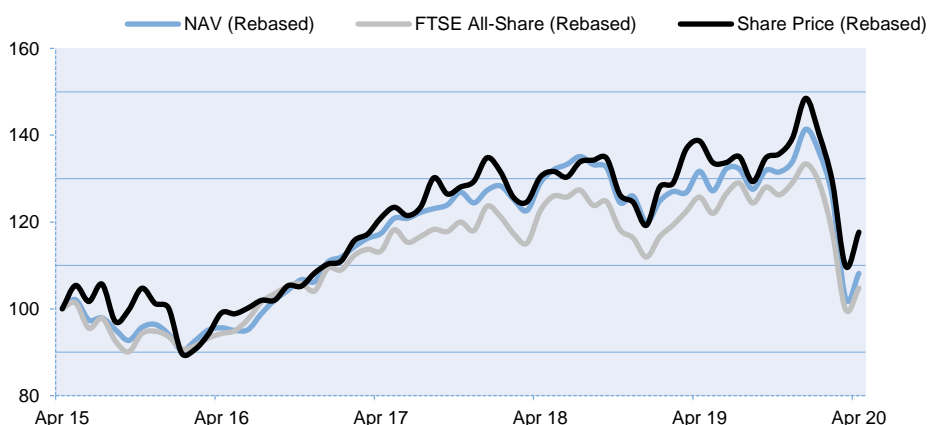
With global Covid19 cases flattening and beginning to decline in several countries, there was a shift in risk appetite towards sectors that may benefit as lockdown measures are lifted. As a result, holdings in Dunelm (retailer) and Johnson Service Group (hotel & restaurant linen) performed strongly. The largest detractor from relative returns was Hiscox, an insurer that writes business interruption and event cancellation insurance. Claims are likely elevated in the current environment and this has raised concerns on the degree of insulation their reinsurance cover can provide. We see Hiscox as undervalued on a long term view and added to the position during the month.

During the period, we opened positions in Unilever and Tesco. The companies are well placed to benefit from higher in-home consumption during lockdowns and pay attractive dividends. In the wake of widespread dividend cuts and cancellations by UK companies, these purchases will benefit the Trust's income generation for the year. We closed the position in Microsoft during the month after a sustained period of outperformance.

Performance over	1yr	3yrs	5yrs	10yrs
Net asset value total return <sup>1</sup>	-17.9%	-7.9%	8.2%	99.2%
FTSE Actuaries All-Share total return <sup>2</sup>	-16.7%	-7.5%	4.8%	63.4%
Share price total return <sup>2</sup>	-15.1%	-2.7%	17.7%	132.4%

<sup>1</sup> Net Asset Value at fair value calculated in accordance with AIC methodology, based on performance data held by Law Debenture  
<sup>2</sup> Source: Bloomberg

### Performance (April 2015 = 100)



### Trust statistics

NAV (debt at fair value)			
NAV per ordinary share (cum income) <sup>1</sup>	517.2p	Gross total assets	£768m
NAV per ordinary share (ex income) <sup>1</sup>	510.1p	Group gearing / (net cash) – AIC (net) <sup>2</sup>	20.0%
Share price (code LWDB)	497.0p	Dividend Yield <sup>2</sup>	5.2%
Premium/(discount) (cum income)	-3.9%	Ongoing charges <sup>3</sup>	0.48%

<sup>1</sup> 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

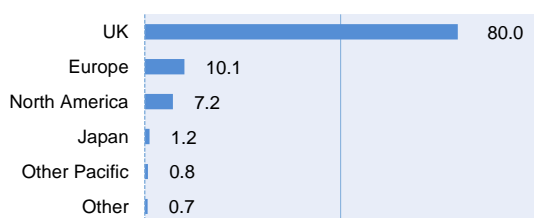
<sup>2</sup> Source: AIC

<sup>3</sup> Source: Calculated by Law Debenture as per published 31 December 2019 accounts

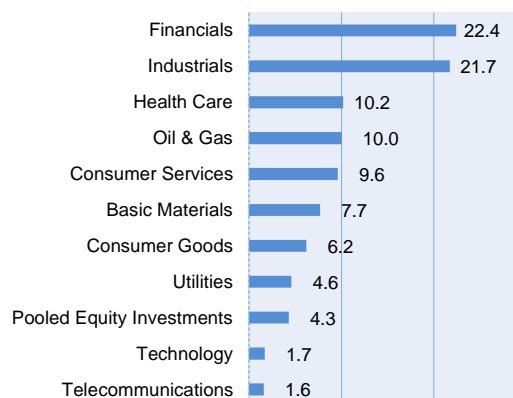
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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## Geographic breakdown (%)



## Sector Breakdown (%)



## Pooled Equity Investments include (%):

Herald Investment Trust	1.8%
Hipgnosis Songs Fund	1.1%
Scottish Oriental Smaller Company Trust	0.8%

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

Glaxosmithkline	4.2%	National Grid	2.0%
Ceres Power	3.0%	Severn Trent	1.8%
Royal Dutch Shell	2.4%	Flutter Entertainment	1.7%
Rio Tinto	2.1%	Astrazeneca	1.7%
Relx	2.0%	HSBC	1.6%

## Trust information

Sector	UK Equity Income	Dividend payment	January, April, July, October
Benchmark	FTSE All-Share index	Last ex div date	12 March 2020
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 an investment trust, listed on the London Stock Exchange. Our portfolio of investments is managed by James Henderson and Laura Foll 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, built on three excellent foundations: our pensions, corporate trusts and corporate services businesses.

We operate globally, with 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.