

Factsheet 31 July 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 30 June 2020, representing a fair value adjustment of 75.2p 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 July, the net asset value (on a cum income basis with debt at fair value) declined 5.2%, while the FTSE All-Share benchmark declined 3.6%. Within this, a rise in bond yields meant the fair value of the debt was moved downwards. Keeping debt at par, the net asset value declined 4.5%.

The largest positive contributor to returns was Herald Investment Trust, a technology focused investment trust. The technology sector outperformed in the lead up to Covid-19 and has been strong this year as the current environment has accelerated digitalisation across a range of business models. The largest detractor from relative returns was Ceres Power, a fuel cell company. After a period of very strong performance, there was some profit taking by the investor base that put pressure on the share price over the period.

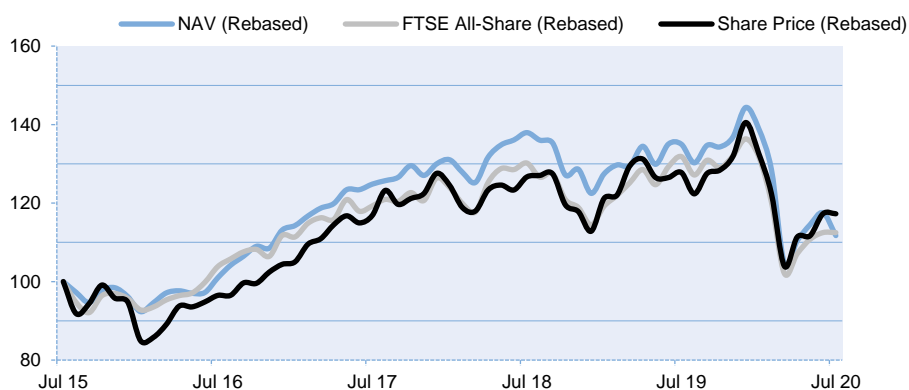
During the month, we added to positions where we see encouraging fundamentals and valuations appear low relative to peers. For example, we increased our position in Unilever which is trading at a discount to consumer goods peers and is growing well. The position in Roche was also added to during the month. The recent set of results demonstrated strong cost control at a time of sales volatility, while the valuation appears uncommanding in the context some lower quality companies in the pharmaceutical sector. We reduced positions that have performed well over our holding periods, including Herald Investment Trust, Dunelm, ITM Power and SAP.

Performance over	1yr	3yrs	5yrs	10yrs
Net asset value total return ¹	-17.2%	-10.5%	11.7%	108.1%
FTSE Actuaries All-Share total return ²	-17.8%	-9.1%	8.4%	73.0%
Share price total return ²	-6.3%	2.5%	19.8%	145.1%

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

² Source: Thomson Reuters

Performance (July 2015 = 100)



Trust statistics

NAV (debt at fair value)			
NAV per ordinary share (cum income) ¹	517.08p	Gross total assets	£775m
NAV per ordinary share (ex income) ¹	511.75p	Group gearing / (net cash) – AIC (net) ²	18.0%
Share price (code LWDB)	528p	Dividend Yield ²	4.9%
Premium/(discount) (cum income)	2.1%	Ongoing charges ³	0.48%

¹Net 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

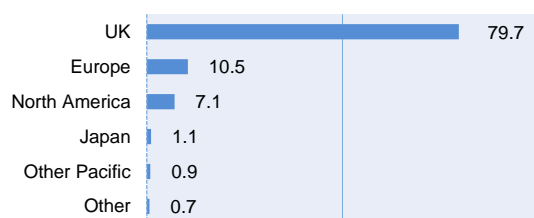
²Source: AIC

³Source: Calculated by Law Debenture as per published 30 June 2020 accounts

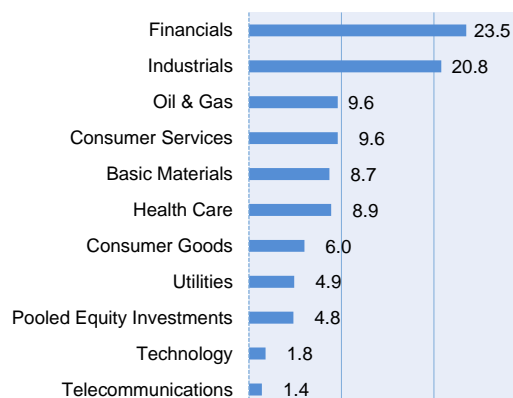
Please remember that past performance is not a guide to future performance. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

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Geographic breakdown (%)



Sector Breakdown (%)



Pooled Equity Investments include (%):

Herald Investment Trust	2.0%
Hipgnosis Songs Fund	1.4%
Scottish Oriental Smaller Company Trust	0.9%

Top Ten Equity Holdings (excluding Pooled Equity Investments)

Glaxosmithkline	3.8%	Severn Trent	1.8%
Rio Tinto	2.6%	Relx	1.8%
Ceres Power	2.5%	Dunelm	1.7%
Royal Dutch Shell	2.0%	Astrazeneca	1.6%
National Grid	1.9%	Prudential	1.5%

Trust information

Sector	UK Equity Income	Dividend payment	January, April, July, October
Benchmark	FTSE All-Share index	Last ex div date	25 June 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.