

## Factsheet 31 May 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 May, the net asset value (on a cum income basis with debt at fair value) increased 3.7%, while the FTSE All-Share benchmark rose 3.4%. Keeping debt at par, the net asset value rose by 3.6%.

Holdings ITM and Ceres Power, which are focused on clean energy solutions using hydrogen, were the largest positive contributors to relative performance during the month. ITM performed particularly strongly over the period on the news that orders and enquiries for their hydrogen electrolyser technology have accelerated as customers look to produce clean hydrogen as an alternative energy source. The largest detractor from relative returns was Rolls-Royce. The company underperformed on concerns on demand for aircrafts and the strength of the company's balance sheet during the Covid19 period.

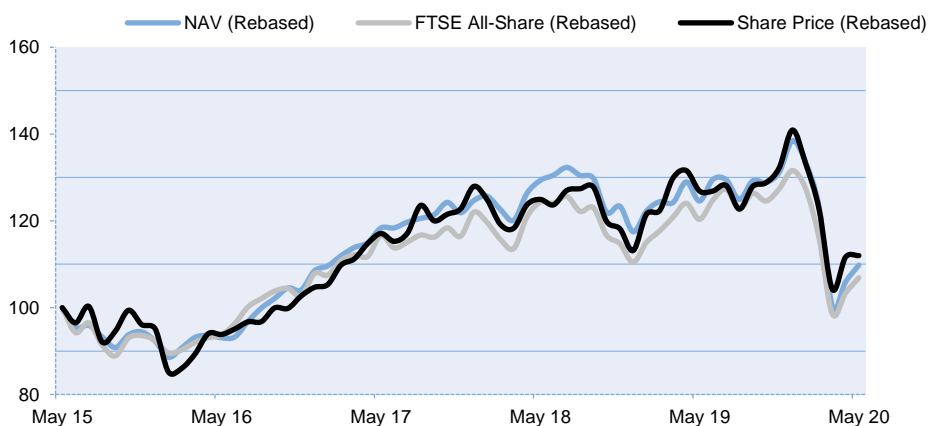
During the period, we added to our position in Anglo American, a miner that is well diversified in terms of commodity exposure with a low valuation and strong balance sheet. We reduced our position in Johnson & Johnson over the month after a period of strong performance.

Performance over	1yr	3yrs	5yrs	10yrs
Net asset value total return <sup>1</sup>	-11.8%	-7.2%	9.8%	118.1%
FTSE Actuaries All-Share total return <sup>2</sup>	-11.2%	-8.4%	6.9%	80.2%
Share price total return <sup>2</sup>	-11.7%	-4.3%	12.0%	147.1%

<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: Refinitiv

### Performance (May 2015 = 100)



### Trust statistics

NAV (debt at fair value)			
NAV per ordinary share (cum income) <sup>1</sup>	536.2p	Gross total assets	£791m
NAV per ordinary share (ex income) <sup>1</sup>	527.3p	Group gearing / (net cash) – AIC (net) <sup>2</sup>	19.0%
Share price (code LWDB)	498.5p	Dividend Yield <sup>2</sup>	5.2%
Premium/(discount) (cum income)	-7.0%	Ongoing charges <sup>3</sup>	0.48%

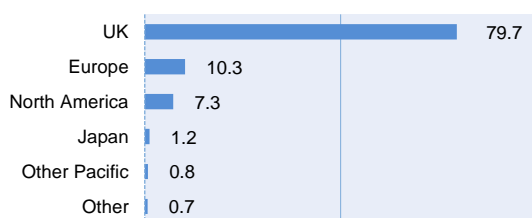
<sup>1</sup> Net Asset Value at fair value calculated in accordance with AIC methodology, based on performance data held by Law Debenture including fair value of the IPS businesses and long term borrowings

<sup>2</sup> Source: AIC

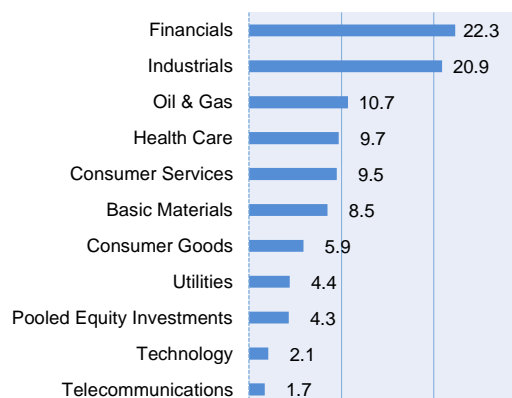
<sup>3</sup> Source: Calculated by Law Debenture as per published 31 December 2019 accounts

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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	4.1%	National Grid	1.9%
Ceres Power	3.3%	Severn Trent	1.8%
Rio Tinto	2.4%	Dunelm	1.6%
Royal Dutch Shell	2.2%	Astrazeneca	1.6%
Relx	2.1%	BP	1.4%

## 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.