

## Factsheet September 2020

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

Performance data and trust statistics include the fair value of the 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 September, the net asset value (on a cum income basis with debt at fair value) declined 2.8%, while the FTSE All-Share benchmark decreased by 1.7%. Keeping debt at par, the net asset value declined 2.4%.

The largest positive contributor to relative performance during the month was Royal Mail, the UK and European postal service company. Royal Mail benefitted from the pandemic accelerating online purchases and driving high demand for parcel services. Although some of the impact may abate, we expect e-commerce penetration to remain structurally higher than pre-COVID levels. The biggest detractor to relative performance was aerospace engineering company, Rolls-Royce. The shares have been under pressure due to the negative impact of COVID-19 on demand for aircraft carriers and concerns about the need for additional liquidity. We see the company as well positioned with strong intellectual property in a consolidated market, standing to benefit as air traffic trends improve.

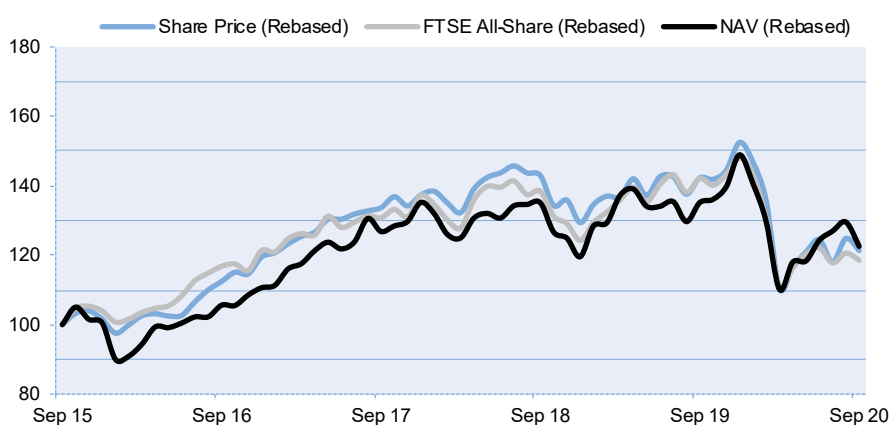
During the month, we added to the existing position in miner, Anglo American, which has exposure to a range of commodities including copper, diamonds and platinum. Anglo is also positively exposed to the global need to reduce carbon emissions, as (for example) the copper requirement in electric vehicles is materially above that of internal combustion engine vehicles.

| Performance over                                   | 1yr    | 3yrs  | 5yrs  | 10yrs  |
|--|--------|-------|-------|--------|
| Share price total return <sup>2</sup>              | -4.1%  | 2.2%  | 29.6% | 138.6% |
| Net asset value total return <sup>1</sup>          | -14.7% | -9.2% | 21.4% | 102.6% |
| FTSE Actuaries All-Share total return <sup>2</sup> | -16.6% | -9.3% | 18.6% | 63.9%  |

<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 (Sept 2015 = 100)



### Trust statistics

|  |         |  |       |
|--|---------|--|-------|
| NAV (debt at fair value)                         |         |  |       |
| NAV per ordinary share (cum income) <sup>1</sup> | 525.16p | Gross total assets <sup>2</sup>        | £782m |
| NAV per ordinary share (ex income) <sup>1</sup>  | 520.57p | Group gearing – AIC (net) <sup>2</sup> | 18%   |
| Share price (code LWDB)                          | 503p    | Yield <sup>2</sup>                     | 5.1%  |
| Premium/(discount) (cum income)                  | (4.22)% | 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

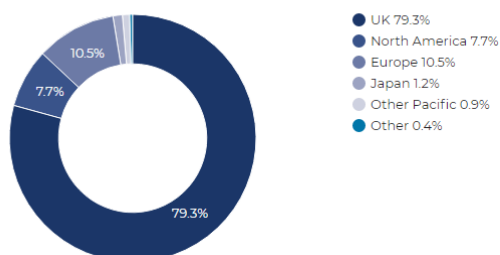
<sup>2</sup> Source: AIC and AIC methodology

<sup>3</sup> Source: Calculated by Law Debenture as per published 30 June 2020 accounts

# Factsheet

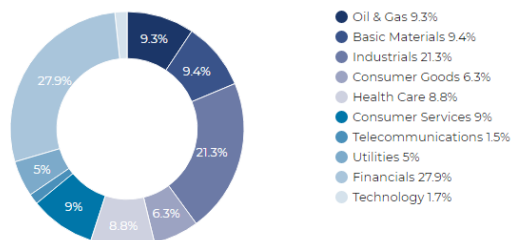
## Geographic breakdown (%)

Geographical distribution of portfolio by value



## Sector Breakdown (%)

Sector distribution of portfolio by value



### Pooled Equity Investments include (%):

|                            |       |
|----------------------------|-------|
| Herald Investment Trust    | 1.88% |
| Hipgnosis Songs Fund       | 1.24% |
| Scottish Oriental Small Co | 0.93% |

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

|                 |       |                   |       |
|-----------------|-------|-------------------|-------|
| GlaxoSmithKline | 3.58% | National Grid     | 1.84% |
| Ceres Power     | 3.12% | Severn Trent      | 1.79% |
| Rio Tinto       | 2.57% | Royal Dutch Shell | 1.73% |
| Dunelm          | 1.91% | Astrazeneca       | 1.54% |
| Relx            | 1.90% | Prudential Corp   | 1.52% |

### Trust information

|                    |                      |                               |                           |
|--------------------|----------------------|-------------------------------|---------------------------|
| Sector             | Global Growth        | Dividend payment              | April, July, Oct, January |
| Benchmark          | FTSE All-Share index | Last ex div date              | 24 September 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 a global investment trust, listed on the London Stock Exchange. Our portfolio of investments is managed by Henderson Global Investors Limited 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.