# Janus Henderson’s Laura Foll advocates diversified value investing amid evolving UK retail investor landscape



Laura Foll, co-manager of the Lowland and Law Debenture investment trusts at Janus Henderson, offers a nuanced perspective on navigating UK equities through a value investing approach. Speaking to City AM, Foll emphasises investing in market-leading, well-managed companies that are undervalued relative to their historical performance or peers. This strategy often involves buying into firms facing recognised but overstated challenges, aiming to capitalise on both valuation and earnings upside for strong total returns. Foll highlights the importance of strong management teams in this process, illustrating with the example of Marks & Spencer (M&S), which they invested in when it was perceived to be in structural decline but still had a robust food business and significant market share in clothing.

Risk management, a crucial aspect of Foll's approach, is primarily achieved through genuine diversification. The Law Debenture trust, which Foll co-manages alongside James Henderson, typically holds around 150 positions. This broad spread mitigates risk as their best performers come from a diverse set of companies, such as Babcock International, banks like Barclays, and smaller firms like Renold, which have no direct connections but contribute to a balanced portfolio. This method aligns with their value investing style, allowing for cautious initial investments in companies with issues and gradually increasing exposure as confidence grows.

Despite debates on concentration versus diversification in investment portfolios, Foll advocates for a diversified approach tailored to the value investing process. Buying selectively at lower valuations, often in small positions and increasing stakes over time, contrasts with the strategy of holding a shorter list of high-conviction stocks favoured by some investors. This ensures they are not overly exposed to any single company facing structural challenges.

Foll also touches on managing market volatility with a pragmatic stance: avoiding the temptation to frequently check investment accounts during turbulent periods. She explains that decisions are based on whether companies face structural impairments or merely cyclical downturns, with sales typically occurring only when recovery seems unlikely. Their investment research is deeply bottom-up, leveraging extensive insights from Janus Henderson's global research team, while not attempting to predict broader macroeconomic shifts, which can be unpredictable and counterproductive.

Communication with investors is a priority for Janus Henderson. Foll candidly acknowledges the industry's ongoing challenge to demystify investments and improve transparency, particularly for retail investors. She points to the need for greater engagement to build trust and comprehension among individuals who might find financial markets intimidating or opaque. The upcoming WIN financial education event, co-hosted by City AM and Law Debenture, exemplifies efforts to address these gaps.

Law Debenture itself is a £1 billion UK income investment trust known for delivering long-term capital growth alongside steadily increasing dividends. Managed by Henderson and Foll, it has been recognised for excellence, earning the UK Equity Income Investment Trust of the Year award consecutively in 2022. The trust holds a diverse portfolio primarily focused on UK companies, including blue-chip names like Shell and BP, and maintains a strong track record of outperforming its peers. Over the past three to five years, Law Debenture has delivered total returns exceeding major benchmarks such as the FTSE All-Share, driven by its disciplined value investment approach.

A distinctive feature of Law Debenture is its hybrid structure, featuring the Independent Professional Services (IPS) business. This provides a stable income stream that supports the trust’s dividend payments, contributing to its reputation for resilience and reliability. With 44 years of consecutive dividend increases and a twelve-year streak of annual dividend growth, Law Debenture appeals to income-focused investors seeking both capital appreciation and income security.

Foll also reveals a personal investment lesson: holding too much cash, motivated by precautionary reasons, ultimately eroded real returns due to inflation. This candid admission underscores the importance of maintaining investment exposure, particularly in a rising inflation environment.

For UK fund managers, the challenge and opportunity lie in better reaching the evolving base of retail investors who are increasingly managing their portfolios independently through online platforms. Foll highlights the need for the investment industry to adapt its communication and engagement strategies to attract and educate these investors, thus broadening access to quality investment products like Law Debenture.

The forthcoming WIN event on 17th September represents a step toward this goal, aiming to provide financial education and support to those new to investing, reinforcing the commitment to transparency and investor empowerment that Foll champions.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/), [[2]](https://www.lawdebenture.com/investment-trust/), [[3]](https://moneyweek.com/investments/funds/investment-trusts/605720/law-debenture-investment-trust)
* Paragraph 2 – [[1]](https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/), [[2]](https://www.lawdebenture.com/investment-trust/), [[3]](https://moneyweek.com/investments/funds/investment-trusts/605720/law-debenture-investment-trust)
* Paragraph 3 – [[1]](https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/)
* Paragraph 4 – [[1]](https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/)
* Paragraph 5 – [[1]](https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/), [[2]](https://www.lawdebenture.com/investment-trust/), [[6]](https://www.thisismoney.co.uk/money/investing/article-13120887/LAW-DEBENTURE-1bn-trust-delivers-income-little-professional-help.html), [[7]](https://www.thisismoney.co.uk/money/investing/article-11420179/LAW-DEBENTURE-CORPORATION-Growing-income-12-years.html)
* Paragraph 6 – [[1]](https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/), [[7]](https://www.thisismoney.co.uk/money/investing/article-11420179/LAW-DEBENTURE-CORPORATION-Growing-income-12-years.html), [[6]](https://www.thisismoney.co.uk/money/investing/article-13120887/LAW-DEBENTURE-1bn-trust-delivers-income-little-professional-help.html), [[4]](https://www.lawdebenture.com/news/the-law-debenture-corporation-plc-named-uk-equity-income-investment-trust-of-the-year-for-the-second-year-running-at-investment-week-s-investment-company-of-the-year-awards-2022)
* Paragraph 7 – [[1]](https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/)
* Paragraph 8 – [[1]](https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/), [[3]](https://moneyweek.com/investments/funds/investment-trusts/605720/law-debenture-investment-trust), [[5]](https://moneyweek.com/investments/investment-trusts/law-debentures-portfolio-should-deliver-strong-returns-from-unloved-stocks), [[6]](https://www.thisismoney.co.uk/money/investing/article-13120887/LAW-DEBENTURE-1bn-trust-delivers-income-little-professional-help.html)

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## Bibliography

1. <https://www.cityam.com/janus-hendersons-laura-foll-on-navigating-uk-equities-and-value-investing/> - Please view link - unable to able to access data
2. <https://www.lawdebenture.com/investment-trust/> - Law Debenture is a UK income investment trust aiming for long-term capital growth and steadily increasing income. Managed by James Henderson and Laura Foll of Janus Henderson Investors, the trust focuses on identifying market-leading, well-managed businesses, acquiring them when valuations present a discount compared to historical performance or peers. This approach often involves investing in companies facing widely recognised issues believed to be overstated, such as Marks & Spencer, which was perceived as in structural decline five years ago. The trust typically holds around 150 positions, ensuring genuine diversity to manage risk effectively.
3. <https://moneyweek.com/investments/funds/investment-trusts/605720/law-debenture-investment-trust> - Managed by James Henderson and Laura Foll of Janus Henderson Investors, Law Debenture focuses on UK equities, with over 83% of its portfolio invested domestically. The managers employ a value investment strategy, targeting out-of-favour companies with long-term growth potential. The portfolio includes around 150 stocks, with significant holdings in firms like Shell, BP, and banks. Recent strategies involve exploiting discounts in the investment trust sector, positioning for undervalued recovery potential, and actively managing positions, such as taking profits on appreciated holdings like Rolls-Royce after significant gains.
4. <https://www.lawdebenture.com/news/the-law-debenture-corporation-plc-named-uk-equity-income-investment-trust-of-the-year-for-the-second-year-running-at-investment-week-s-investment-company-of-the-year-awards-2022> - Law Debenture was named UK Equity Income Investment Trust of the Year for the second consecutive year at Investment Week’s Investment Company of the Year Awards 2022. Managed by James Henderson and Laura Foll of Janus Henderson Investors, the trust aims to deliver resilience, long-term outperformance, and dividend growth to shareholders. The award recognises Law Debenture’s ongoing commitment to these goals, supported by its diversified portfolio and the unique combination of its Independent Professional Services business, which provides a steady income stream to support dividends.
5. <https://moneyweek.com/investments/investment-trusts/law-debentures-portfolio-should-deliver-strong-returns-from-unloved-stocks> - Law Debenture has emerged as a top-performing UK equity trust, achieving a 48% total return over the past three years, outperforming the FTSE All-Share's 35.5%. Managed by James Henderson and Laura Foll of Janus Henderson Investors, the trust follows a value investment strategy, targeting out-of-favour companies with long-term growth potential. The portfolio includes around 150 stocks, with significant holdings in firms like Marks & Spencer and Rolls-Royce. The managers actively manage positions, taking profits on appreciated holdings and exploiting discounts in the investment trust sector for undervalued recovery potential.
6. <https://www.thisismoney.co.uk/money/investing/article-13120887/LAW-DEBENTURE-1bn-trust-delivers-income-little-professional-help.html> - Law Debenture is a £1 billion trust with 44 years of maintaining or increasing its annual dividend. Managed by James Henderson and Laura Foll of Janus Henderson Investors, the trust's equity portfolio comprises more than 150 holdings, primarily in UK companies. A unique feature is its hybrid structure, combining an investment portfolio with a professional services business, Independent Professional Services (IPS), which provides a steady income stream supporting dividends. The trust has delivered superior overall returns, with a five-year total shareholder return of just over 62%, outperforming peers.
7. <https://www.thisismoney.co.uk/money/investing/article-11420179/LAW-DEBENTURE-CORPORATION-Growing-income-12-years.html> - Law Debenture, managed by James Henderson and Laura Foll of Janus Henderson Investors, has increased its annual dividend for 12 consecutive years. The trust's equity portfolio comprises more than 150 holdings, primarily in UK companies, with a focus on blue-chip companies renowned for dividends, such as Shell and BP. The trust's hybrid structure includes a professional services business, Independent Professional Services (IPS), which provides a steady income stream supporting dividends. Over the past five years, the trust has generated a total return of 55%, outperforming other UK equity income trusts.