

## Trust Facts

**Launch date:** 1926

**Wind-up date:** None

**Year end:**  
31 December

**Dividends paid:**  
Quarterly in March, June, September and December

**AGM:**  
March

**Benchmark:**  
FTSE All-Share

**ISA status:**  
May be held in an ISA

**Capital Structure:**

Share class	No. in issue	Sedol
Ordinary	66,872,765	0882532

**Debt:**  
9.875% Debenture Stock 2017 £25m  
5.50% Debenture Stock 2021 £38m  
4.05% Private Placement Loan 2028 £50m

**Charges:**  
**Ongoing charge:** 0.51%\* (30.06.15)  
\*Includes a management fee of 0.35%

**Board of Directors:**  
John Reeve (Chairman)  
Arthur Copple  
Richard Jewson  
June de Moller  
Lesley Sherratt  
David Webster

**Auditors:** Ernst & Young LLP

**Investment Manager:**  
Investec Fund Managers Ltd

**Registrars:** Equiniti Ltd

**Savings Scheme Administrator:**  
Equiniti Financial Services Ltd

**Secretary:**  
Investec Asset Management Ltd

**Stockbrokers:** JPMorgan Cazenove

**Depository & Custodian:** HSBC Bank Plc

## Trust Objective

To provide growth in income and capital to achieve a long term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK securities. The Company's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the constituents of the FTSE 350 Index.

## Financial Data

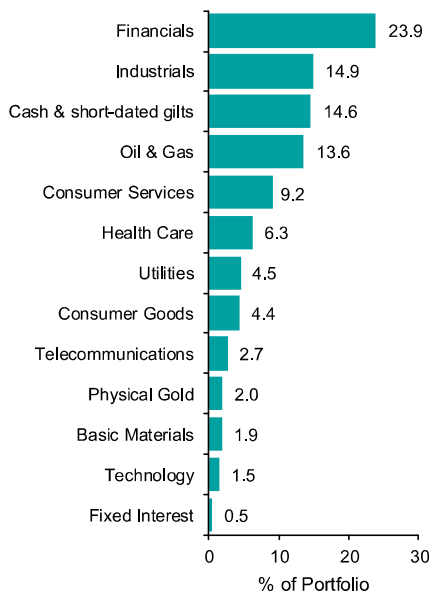
Total Assets (£m)	902.2
Share price (p)	1167.0
NAV (p) (ex income, debt at mkt)	1188.3
Premium/(Discount), Ex income (%)	(1.8)
NAV (p) (cum income, debt at mkt)	1202.5
Premium/(Discount), Cum income (%)	(2.9)
Historic net yield (%)	3.4

## Top Ten Equity Holdings (%) <sup>1</sup>

HSBC Holdings Plc	7.8
Royal Dutch Shell Plc	6.6
GlaxoSmithKline Plc	6.3
BP Plc	5.7
Grafton Group Plc	4.4
Royal Bank of Scotland Group Plc	3.9
Lloyds Banking Group Plc	3.9
British American Tobacco Plc	3.6
Direct Line Insurance Group Plc	2.8
BT Group Plc	2.6
<b>Total</b>	<b>47.6</b>

<sup>1</sup> % of total assets, including cash

## Sector Analysis



## Dividend History

Type	Amount (p)	XD date	Pay date
2nd interim*	7.93	10-Sep-15	30-Sep-15
1st interim	7.93	11-Jun-15	30-Jun-15
Final	23.33	12-Mar-15	31-Mar-15

\*Please note that the Trust is now paying dividends on a quarterly basis.

## Performance

### Share Price % change

	Trust	FTSE All-Share <sup>2</sup>
1 month	0.5	2.3
3 months	-1.5	-2.9
1 year	-4.0	1.9
3 years	26.3	24.8
5 years	50.0	34.5

<sup>2</sup> Capital return only

### NAV total return % change

	Trust	FTSE All-Share <sup>3</sup>
1 month	0.5	2.4
3 months	-3.3	-2.2
1 year	4.1	5.4
3 years	48.7	38.3
5 years	84.9	59.6

<sup>3</sup> Total return

Performance, Price and Yield information is sourced from Morningstar as at 31.07.15.

**Past performance should not be taken as a guide to the future and dividend growth is not guaranteed. The value of your shares in Temple Bar and the income from them can fall as well as rise and you may lose money. This Trust may not be appropriate for investors who plan to withdraw their money within the short to medium term.**

A portion (60%) of the Trust's management and financing expenses are charged to its capital account rather than to its income, which has the effect of increasing the Trust's income (which may be taxable) whilst reducing its capital to an equivalent extent. This could constrain future capital and income growth.

The effect of borrowings to finance the Trust's investments is to magnify the volatility of its price and potential capital gains and losses. We recommend that you seek independent financial advice to ensure this Trust is suitable for your investment needs.

## Manager's Commentary

Many snooker fans seem to have initially had their passions for the sport aroused at World Championship time in April when the 32 best players in the world battle it out in extraordinarily tense surroundings in a small Sheffield theatre. Within that group of fans is a small subset who watched the sport as an alternative to revising for actuarial exams. It is hard to think of a more efficient way to keep one's nose out of a book given the playing sessions last until around midnight (and sometimes longer) and that the tournament runs for over two weeks. If it hadn't been my abject lack of expertise in all matters actuarial that let me down at exam time, the lack of quality revision due to excessive time spent watching two blokes hit balls around a table measuring 12ft by 6ft would certainly have been a quality alternative excuse.

I've never quite lost the bug, so this year, and happy to assist my son in avoiding GCSE revision, I took up my usual armchair seat. I must confess to watching a bit of snooker all year round and as with most sports fans have my favourite players. I had always felt that Stuart 'Ball-Run' Bingham was a talented player who had just never quite had his day, so I placed a modest bet on him at 66/1. As luck would have it Bingham was in the form of his life (sporting cliché alert) and battled into the final where after a tense match (for me, not him) he eventually won.

As the tournament progressed, I started to tell an increasing number of people about the bet and bore them with the analysis I had undertaken prior to the tournament. By the time he took the crown I was assuring anyone who was still listening that I had followed Bingham's form since he was a lad, had noticed a recent change in his temperament, built detailed spreadsheets with in-depth statistical analysis and had detected an ability to play his best in the more important tournaments.

To a great extent I had even convinced myself that some of that story was true. However, the truth was a bit simpler. While a colleague and I were driving around Strathclyde we got chatting about the snooker and looked at the odds. More on a whim than anything else, I placed a bet on Bingham. I think it is fair to say that there was a considerable amount of luck involved in the winning bet especially as his semi-final win was, to mix sporting metaphors, by the shortest of heads.

This made me think of the similarities with stock market investing. Investors make buy and sell decisions for many different reasons. A lot of the time (let's say 50% to keep it easy) these decisions are correct and the investor has an opportunity to build a narrative around his success. An explanation is provided in a monthly commentary, reports are written in the end of year accounts and a slide is manufactured to illustrate the profile of a winning stock decision to existing and prospective clients. The role of luck is meanwhile tippexed from the story.

As if that wasn't bad enough, the investor, having drunk his own Kool-Aid (not questioning his belief in his own ability), is then convinced he has found a winning formulae and is happy to share the characteristics he requires in his companies and covers strategy and looks to repeat it, but this time with even greater confidence (ie make a larger bet).

This need for a narrative strikes me as highly dangerous. False confidence is generated by the success and then reinforced by the story-telling, whilst the failures (the other 50% of the time) are often outsourced to third parties ('I'm never going to trust that analyst again') and lessons are not sufficiently learnt. We continue to find that committing our thoughts to paper serves a number of uses; helping to remind us why we purchased a stock, acting as an audit when the stock is finally sold, whether at a profit or at a loss and as an aid to highlight quite how much we write with great confidence which we later discover to be undiluted twaddle.

Just to prove the dangers of unjustified success I placed some of my Bingham winnings on German Sabine Lisicki to win the Ladies Championship at Wimbledon happy in the knowledge that I had found a foolproof way to spot under-rated outsiders. Ms Lisicki was unceremoniously removed from the tournament in the 3rd round in straight sets. Funnily enough, I put that down to bad luck and forgot to mention it to anyone.



*"Do come in dear.....I'm sure by now everyone knows what a great decision it was!"*

The yield information has been calculated as at 31.07.15. All other information is from Investec Asset Management at 31.07.15.

Telephone calls may be recorded for training and quality assurance purposes.

For further details, call the Investor Services Department on 020 7597 1800, or send an email to [enquiries@investecmail.com](mailto:enquiries@investecmail.com). Alternatively, visit the Temple Bar website: [www.templebarinvestments.co.uk](http://www.templebarinvestments.co.uk).

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