

Trust Facts

Launch date: 1926

Wind-up date: None

ISIN: GB0008825324

TIDM code: TMPL

Year end: 31 December

Dividends paid:

Quarterly in March, June, September and December

AGM: March

Benchmark: FTSE All-Share

Association of Investment Companies (AIC) sector: UK Equity Income

ISA status:

May be held in an ISA

Capital Structure:

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

Debt:

5.50% Debenture Stock 2021 £38m
4.05% Private Placement Loan 2028 £50m
2.99% Private Placement Loan 2047 £25m

Charges:

Ongoing charge: 0.47% (31.12.18)
Includes a management fee of 0.35%

Auditors: Ernst & Young LLP

Investment Manager:

Investec Fund Managers Ltd

Portfolio Manager: Alastair Mundy

Portfolio Manager start date:

1 August 2002

Registrars: Equiniti Ltd

Secretary:

Investec Asset Management Ltd

Depositary & Custodian: HSBC Bank Plc

The Company's gearing and discount management policies can be found at <https://www.templebarinvestments.co.uk/investment-approach/investment-policies/>

Trust Objective

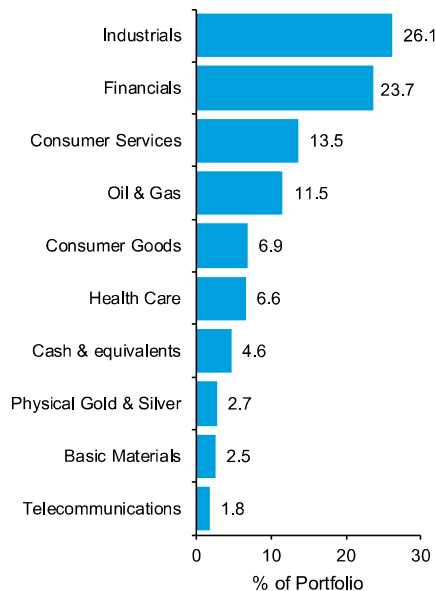
To provide growth in income and capital to achieve a long-term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK securities. The Company's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the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

Top Ten Equity Holdings (%)¹

GlaxoSmithKline Plc	6.6
Royal Dutch Shell Plc	6.0
Travis Perkins Plc	6.0
Capita Plc	5.8
BP Plc	5.5
Lloyds Banking Group Plc	4.4
Grafton Group Plc	4.3
SIG Plc	4.0
HSBC Holdings Plc	4.0
Royal Bank of Scotland Group Plc	4.0
Total	50.6

¹% of total assets, including cash

Sector Analysis



Financial Data

Total Assets (£m)	983.2
Share price (p)	1308.0
NAV (p) (ex income, debt at mkt)	1325.1
Premium/(Discount), Ex income (%)	-1.3
NAV (p) (cum income, debt at mkt)	1338.4
Premium/(Discount), Cum income (%)	-2.3
Historic net yield (%)	3.6

Dividend History

Type	Amount (p)	XD date	Pay date
Final	20.47	07-Mar-19	29-Mar-19
3 rd interim	8.75	06-Dec-18	27-Dec-18
2 nd interim	8.75	06-Sep-18	28-Sep-18
1 st interim	8.75	07-Jun-18	29-Jun-18

Performance (Total Return)

Cumulative Returns (%)

	Share Price	NAV	FTSE All-Share
1 month	2.8	0.7	2.7
3 months	16.0	14.2	9.4
1 year	11.6	9.3	6.4
3 years	44.1	34.2	31.3
5 years	28.9	30.2	34.5
10 years	270.3	262.2	186.8

Rolling 12 Month Returns (%)

	Share Price	NAV	FTSE All-Share
31.03.18-			
31.03.19	11.6	9.3	6.4
31.03.17-			
31.03.18	2.2	0.1	1.2
31.03.16-			
31.03.17	26.3	22.7	22.0
31.03.15-			
31.03.16	-10.1	-5.4	-3.9
31.03.14-			
31.03.15	-0.6	2.6	6.6

Performance, Price and Yield information is sourced from Morningstar as at 31.03.2019

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.

Manager's Commentary

Thought for the month

Increasingly our clients enquire how we embrace ESG issues in our analysis. One way we approach this subject is to assess whether the company we are analysing is behaving in ways which a regulator may at some point consider are taking advantage of clients, particularly those considered most 'vulnerable'.

This theme applies to a surprisingly large number of sub-sectors that appear heavily in our current list of out of favour stocks (and the list below is certainly not complete). Some are where regulation has arrived, others, where it appears to be coming:

Bookmakers - significant changes to the upper stake limits on fixed odds betting terminals.

Utility providers/insurance companies/breakdown organisations - a focus on whether the inertia of long-serving customers is resulting in unfairly high renewal premiums for the most loyal customers. Saga's recent large profits warning, recognised that this strategy is no longer working (or acceptable) and proved how painful a transition to a new model can be for companies.

Banks - are some customers unfairly locked into expensive mortgages?

Funeral companies - an investigation into whether the industry has been pushing prices up excessively, particularly given customers' vulnerability at the time of purchase.

High-cost credit - various studies covering a number of areas from overdraft costs, rent-to-own products (The FCA recently highlighted an example of an electric cooker which could be purchased for less than £300 on the high street costing over £1,500 if paid for by monthly instalments), home collected credit and catalogue and credit cards.

Spread betting - the protection of retail investors against suffering losses in highly geared products such as contracts for difference (CFDs).

Airline companies - increased compensation to customers suffering delays.

Estate agents - studies into whether agencies give priority to those prospective house buyers most likely to purchase financial services from them and if it is right that the estate agents should in many cases receive fees from both the customer and the mortgage provider.

Regulators are certainly on the front foot - perhaps embarrassed by what they missed around the time of the global financial crisis (GFC) or simply because they are better staffed as a consequence of the GFC. It is unlikely that companies will be allowed to slip back into old habits anytime soon. And all this with a Conservativeled, Brexit-distracted, government.

Simplistically, those companies with very profitable back books will find themselves reducing prices to their loyal customers and increasing them to their new customers. Two excellent rules of thumb are never to underestimate how profitable back books are and to never bother wasting one's time asking management for a guide. The issue, as articulated by Saga with the size of its profits warning, is that new customers have a lot of choice and will prove very resistant to such price increases, particularly if competitors are yet to reprice. By moving early, Saga is effectively running the risk of relegating itself to the nether regions of the comparison websites.

Equilibrium in these industries will eventually be found, but it could get uglier for some companies first, especially if they are not sufficiently cost efficient to be the keenest pricers. ESG is certainly a force for good, but if the issues at hand are too large, the right investment action may often be avoidance rather than engagement.



"While you were having a swim the desert island cartoon regulator paid us a visit!"

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.

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