

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: 0.49% (31.12.17)
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 January 2003

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://templebar.tilabs.co.uk/investment-approach/for-professional-investors/>

Trust Objective

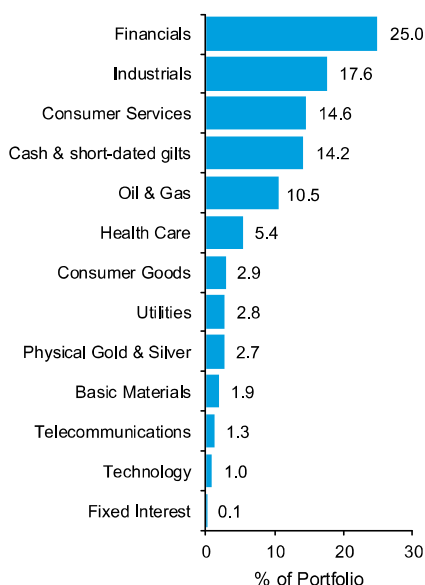
To provide growth in income and capital to achieve a long term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK securities. The Company's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the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

Top Ten Equity Holdings (%)¹

HSBC Holdings Plc	7.2
Royal Dutch Shell Plc	6.1
GlaxoSmithKline Plc	5.4
BP Plc	4.9
Barclays Plc	4.4
Grafton Group Plc	4.1
Royal Bank of Scotland Plc	3.4
Lloyds Banking Group Plc	3.4
SIG Plc	3.3
Tesco Plc	2.6
Total	44.8

¹% of total assets, including cash

Sector Analysis



Financial Data

Total Assets (£m)	966.4
Share price (p)	1262.0
NAV (p) (ex income, debt at mkt)	1303.1
Premium/(Discount), Ex income (%)	-3.2
NAV (p) (cum income, debt at mkt)	1327.7
Premium/(Discount), Cum income (%)	-4.9
Historic net yield (%)	3.4

Dividend History

Type	Amount (p)	XD date	Pay date
Final	17.48	08-Mar-18	29-Mar-18
3 rd interim	8.33	07-Dec-17	29-Dec-17
2 nd interim	8.33	07-Sep-17	29-Sep-17
1 st interim	8.33	08-Jun-17	30-Jun-17

Performance (Total Return)

Cumulative Returns (%)

	Share Price	NAV	FTSE All-Share
1 month	-2.8	-2.4	-3.3
3 months	-0.2	-0.8	-0.6
1 year	1.8	4.5	4.4
3 years	19.1	18.7	18.8
5 years	35.7	45.9	45.3

Rolling 12 Month Returns (%)

	Share Price	NAV	FTSE All-Share
28.02.17-			
28.02.18	1.8	4.5	4.4
28.02.16-			
28.02.17	34.0	24.1	22.8
28.02.15-			
28.02.16	-12.6	-8.4	-7.3
28.02.14-			
28.02.15	-4.5	1.4	5.6
28.02.13-			
28.02.14	19.3	21.2	10.1

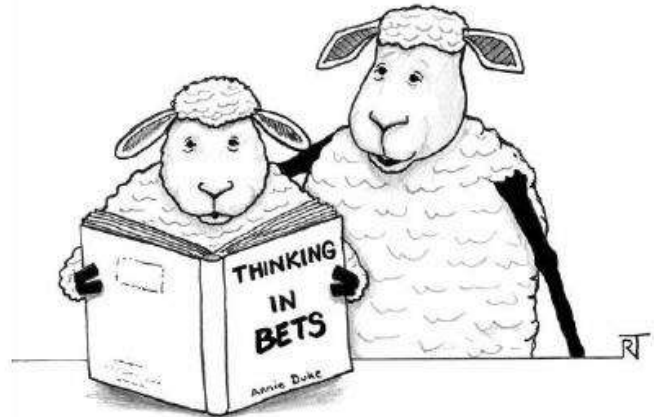
Performance, Price and Yield information is sourced from Morningstar as at 28.02.18

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

I recently decided to reduce my running commitments. There will be no press coverage of this and no big testimonial dinner has been organised: given my ability I will be of no loss whatsoever to the running community – although running shoe manufacturers will miss me greatly. My decision is not due to injury or old age, but instead to longer-term concerns over the damage I may do to myself if I push my luck for another five or ten years. To many this decision seems entirely irrational ('if you're not injured you should keep going. Listen to your body'), so I was delighted to find support for my actions when reading *Thinking in Bets – Making Smarter Decisions When You Don't Have All The Facts*, by Annie Duke. Ms. Duke is an ex-professional poker player who won over US\$4 million in tournaments and believes many of her strategies can be exported to facets of life beyond the poker table.



"Remember son.....always gam-baa-le responsibly"

Ms. Duke covers much of the old ground that can be found in, amongst others, Kahneman's, *Thinking, Fast and Slow* and Tetlock's *Superforecasting* (and the vast bibliography suggests she has left no stone unturned in her search for answers). One suggestion she makes for improved decision making, and credits to Suzy Welch, is the 10-10-10 rule. How will I feel about this decision in, say, 10 hours, 10 months and 10 years? (the '10s' obviously need to be calibrated dependent on your chosen pursuit. A hand of poker lasting about 30 seconds is very different to buying a stock on a 5 year view). So, yes, on a 10 hour view my running decision might not look too smart, but if I don't reduce my efforts and in 10 years' time I am hobbling around waiting for two new hips it might look very different.

This concept of including a 'future us' in the decision making process is particularly appealing for a contrarian investor. Often when we are considering purchasing a stock, its price is falling, bad news is in the ascendancy and we are often told that the stock is 'dead money' or worse. However, by considering a different time horizon it is possible to ignore the noise and babble (often masquerading as something more structural) which can often drive short-term price movements. On the other hand, a share might appear optically cheap, but less attractive once we consider the company's medium-term prospects – the dreaded value trap.

It is good to have a successful practitioner sharing some real life stories and proving that what the academics have told us for some time can be applied in real life. What Ms. Duke doesn't tell us is what to do once practitioners have all become aware of these psychological tricks. The professional world of poker must have used up its share of patsies many years ago. How did she outfox the remaining high-rollers? Fortunately in fund management the ever increasing presence of index funds suggests the patsies are becoming ever more dominant in the short-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.

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