Temple Bar Investment Trust PLC – Monthly update 31st October 2013

Trust Facts

Launch date: 1926

Wind-up date: None

Year end:
31st December

Dividends paid:
March & September

AGM:
March

Benchmark:
FTSE All-Share

ISA status:
May be held in an ISA

Capital Structure:

Share class	No. in issue	Sedol
Ordinary	63,043,152	0882532

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

Charges:
Management fee: 0.35% per annum based on the value of the investments of the Company.
Ongoing charges: 0.47% (June 2013)

Board of Directors:
John Reeve (Chairman)
Arthur Copple
Richard Jewson
June de Moller
Martin Riley
David Webster

Auditors: Ernst & Young LLP

Investment Manager:
Investec Asset Management Ltd

Registrars: Equiniti Ltd

Savings Scheme Administrator:
Equiniti Financial Services Ltd

Secretary:
Investec Asset Management Ltd

Stockbrokers: JPMorgan Cazenove

Bankers & Custodian: HSBC Bank Plc

Solicitors: Eversheds

Trust Objective

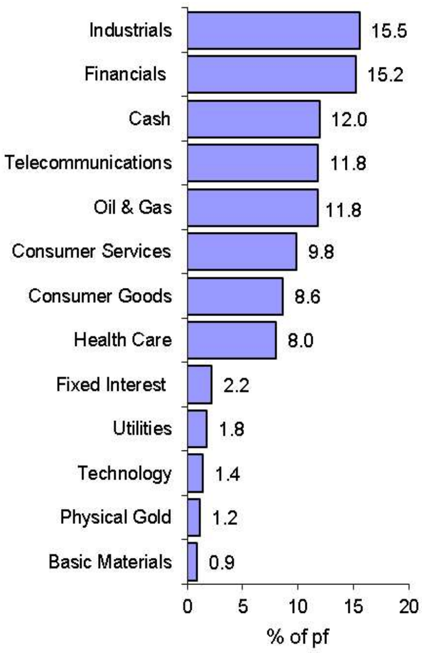
To provide growth in income and capital to achieve a long term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK securities. The Company's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the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

Top ten equity holdings (%) *

GlaxoSmithKline plc	7.5
Vodafone Group Plc	7.0
Royal Dutch Shell Plc Class B	6.8
HSBC Holdings plc	6.7
Signet Jewelers Limited	5.8
Grafton Group Plc	5.4
BP p.l.c.	4.9
BT Group plc	4.7
SIG plc	3.1
Unilever PLC	2.7
	54.6

* % of total assets, including cash

Sector Analysis



Financial data

Total Assets (£m)	855.00
Share price (p)	1218.00
NAV (p) (ex income, debt at mkt)	1187.59
Premium/(Discount) (%)	2.6
Historic net yield (%)	3.05

Performance

Share Price % change

	TBIT	All-Share *
1 month	2.9	4.1
3 months	-0.2	2.1
1 year	25.5	18.5
3 years	47.6	22.1
5 years	117.9	64.2

* Capital return only

NAV total return % change

	TBIT	All-Share *
1 month	3.5	4.3
3 months	2.9	3.1
1 year	30.7	22.8
3 years	62.4	35.6
5 years	168.1	96.7

* Total return

Source: Thomson Datastream, Investec

Dividend History

Type	Amount (p)	Ex date	Pay date
Interim	15.10	11-Sep-13	30-Sep-13
Final	22.00	13-Mar-13	28-Mar-13

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.

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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Manager's Commentary

I am writing this month's commentary in beautiful silence at home. Consequently, I have been able to focus and cogitate without fear of being tapped on the shoulder by a colleague eager to inquire about my plans for the weekend, without having to zone out other peoples' irrelevant conversation and without worrying about my general health while my team mates splutter and cough all over me. I shouldn't be surprised how much easier it is to work under these conditions as Susan Cain, author of Quiet, The Power of Introverts in a World that Can't Stop Talking, informs us there are reams of academic research which have reached similar conclusions about the benefits of working in isolation. In contrast, open-plan offices take the blame for a multitude of ailments as diverse as lower productivity, impaired memory, high staff turnover, sickness, reduced motivation and elevated stress levels.

What is curious is why, if all this research points one way, we persist with open-plan offices. Cain believes the answer is quite simple: we live in a world ruled by extroverts. Men of action, she says, are favoured over men of contemplation. Those in charge can never have too many meetings, team building initiatives and general opportunities to brainstorm.

Extroverts are stimulated by such activities and can produce their best work under those conditions. Give them a book and they would probably suffer some sort of seizure. However, I don't think we need to worry about them as they are very well catered for and, anyway, have all the necessary skills to complain if they don't like their working conditions. In fact, they have more than the necessary skills which is why their views in meetings are typically acted upon despite the lack of evidence to suggest their ideas are superior to the introverts (quite the opposite in fact).

No, it's the introverts that need the leg up. And boy, are there a lot of them. Apparently between 1/3 and 1/2 of us fall into the definition although clearly we should consider introversion/extroversion as a spectrum as opposed to a binary outcome. (Actually, it's a ternary outcome as those in the middle are known as ambiverts, but let's not go there).

Sadly, Cain could not uncover any specific academic research covering the role of introverts in the fund management industry although that did not stop her publishers from titling one chapter: Why did Wall Street Crash and Warren Buffett Prosper?

Unsurprisingly, we learn that there is a school of thought which believes the financial crisis was due to those bold and assertive extroverts happy to take outsized risks at crazily unattractive odds while those who saw it coming were quiet, contemplative, risk aware introverts who were happy to share their knowledge, but found it impossible to be heard in the sea of bullishness.

Studies confirm that introverts are no smarter than extroverts, but it is clear that each group has areas of specialisation. Extroverts perform better when under time or social pressure and multi-tasking, while introverts perform better at tasks which demand thorough investigation, accuracy and persistence. If correct, this would suggest that introverts are well suited to long-term investing, although their skills can be diluted if they are constantly requested to generate quick responses (say, after a company announces its results), win over audiences with their presentation skills, or analyse too many companies simultaneously.

So here's the paradox. Introverts may well hold the upper hand in investing, but in an extroverts' world perhaps many of their innate skills are diluted away. It is time for the introverts to, quietly, fight back.

"Guys the report is excellent but next time you might want to get someone else to present it"

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 investor@investecmail.com. Alternatively, visit the Temple Bar website: www.templebarinvestments.co.uk.

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