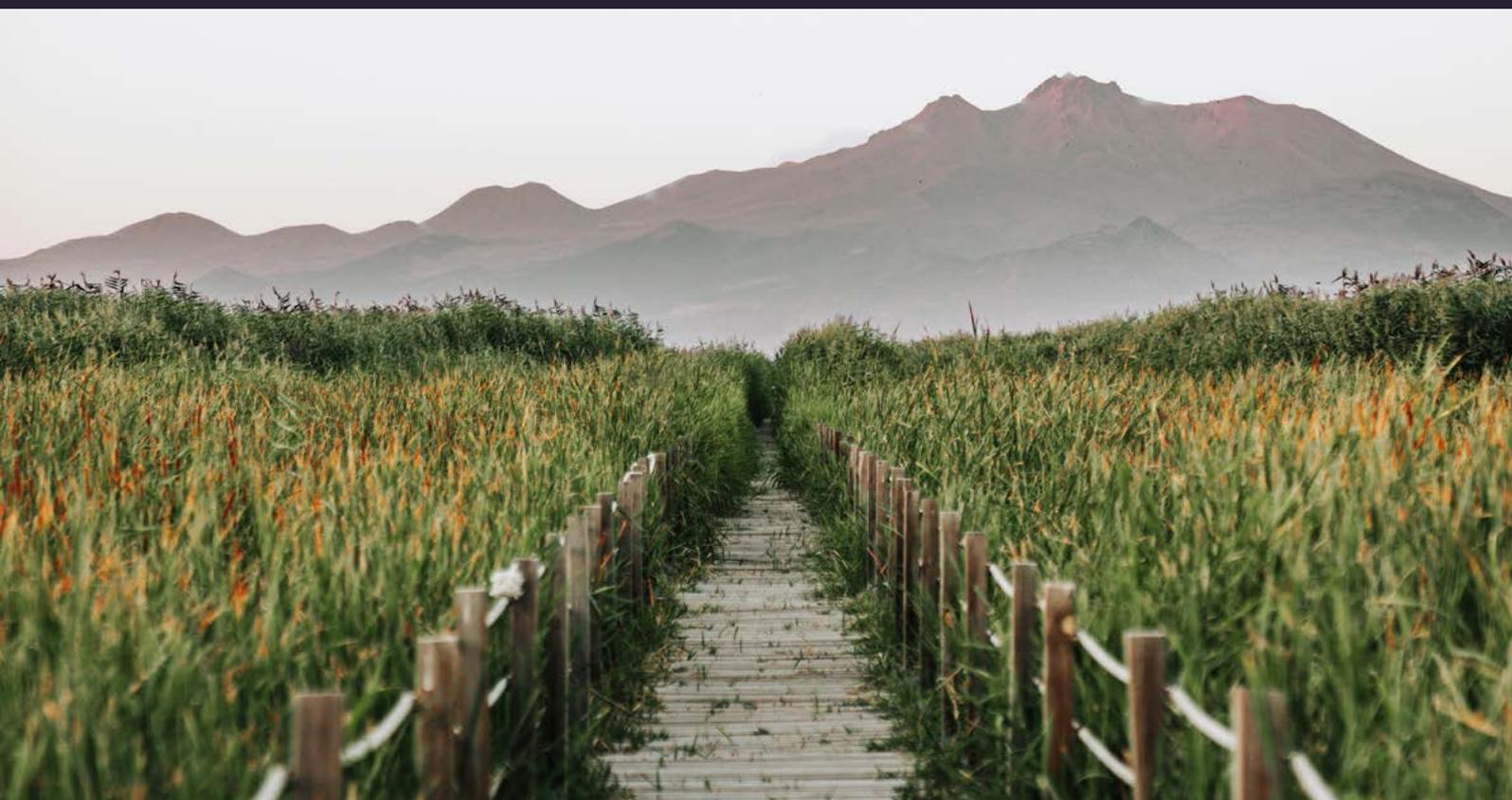


Annual Report & Financial Statements  
For the year ended 31 December 2025



Think value investing, think Temple Bar.

# 01.

## Objective

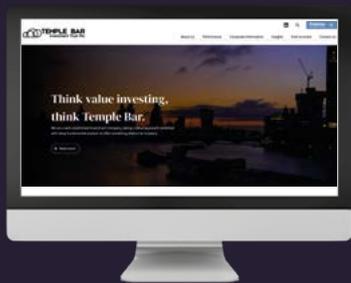
The investment objective of Temple Bar Investment Trust Plc\* is to provide growth in income and capital to achieve a long-term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK-listed securities. The Company's policy is to invest in a broad spread of securities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

# 02.

## Purpose

The purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments.

Think value investing, think Temple Bar.



For more information about Temple Bar Investment Trust Plc visit the website or the Company's LinkedIn page:

[www.templebarinvestments.co.uk](http://www.templebarinvestments.co.uk)

<https://www.linkedin.com/company/temple-bar-investment-trust-plc/>



\* "Temple Bar", the "Trust", or the "Company"

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# Strategic Report

# Summary of Results

	2025	2024	% change
NAV total return with debt at fair value <sup>1,2,3</sup>	33.9%	19.9%	
Share price total return <sup>1,3</sup>	45.3%	19.1%	
FTSE All-Share Index (the "Benchmark") <sup>4</sup>	24.0%	9.5%	
Change in Retail Price Index over year <sup>5</sup>	4.2%	3.5%	
NAV per share with debt at book value	369.1p	286.2p	29.0%
NAV per share with debt at fair value <sup>1,2</sup>	373.4p	291.1p	28.3%
Share price	378.5p	272.0p	39.2%
Premium/(discount) of share price to NAV per share with debt at fair value <sup>1</sup>	1.4%	(6.6)%	
Dividends per share	15.00p	11.25p	33.3%
Dividend Yield <sup>1</sup>	4.0%	4.1%	
Net gearing with debt at book value <sup>1</sup>	5.8%	8.4%	
Ongoing charges <sup>1</sup>	0.59%	0.61%	

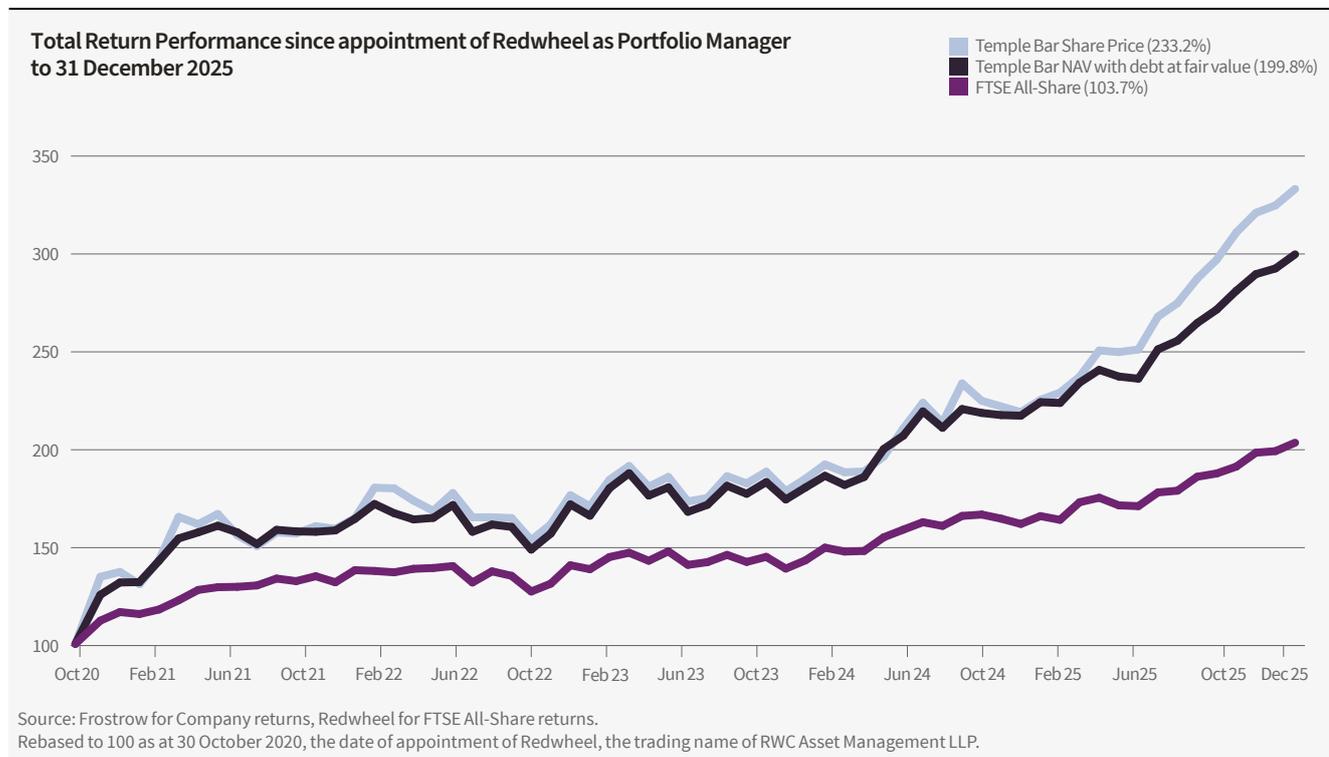
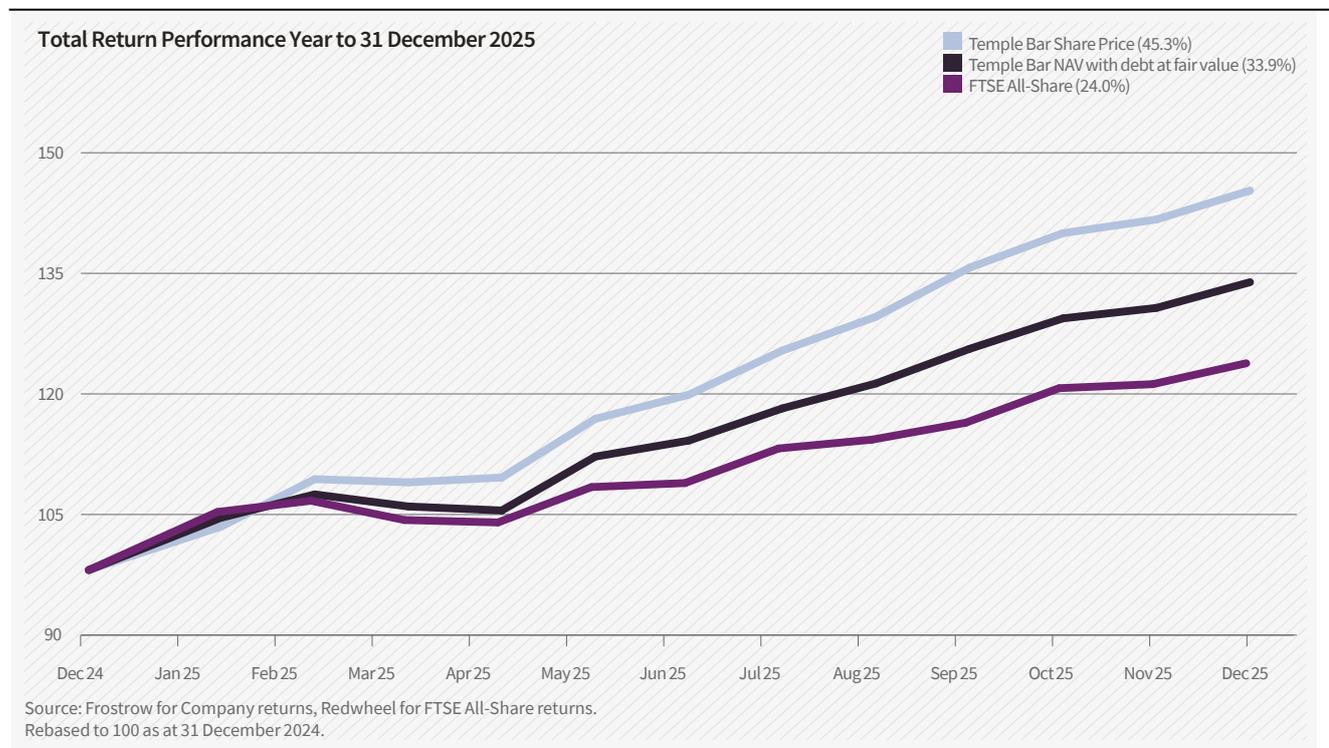
<sup>1</sup> Alternative Performance Measure – See glossary of terms beginning on page 103 for definition and more information.

<sup>2</sup> Debt fair value is calculated based on unobservable input, see note 20 beginning on page 91.

<sup>3</sup> Source: Frostrow.

<sup>4</sup> Source: Redwheel.

<sup>5</sup> Source: ons.gov.uk.



# Chair's Statement



## Performance

I am pleased to report that 2025 was another strong year for the Company's performance, both in absolute terms and relative to the FTSE All-Share Index, the Company's Benchmark. The Net Asset Value total return with debt at fair value was +33.9% and the share price total return was +45.3%, compared with a total return of +24.0% for the Benchmark.

Since Redwheel took over the management of the Company's portfolio at the end of October 2020, the Net Asset Value total return to the end of 2025 has been +199.8% compared with +103.7% for the Benchmark, representing outperformance of 8.9% per annum.

## Investment Portfolio

The Portfolio Manager's report provides a review of performance drivers during the year. Returns were primarily driven by stock selection rather than broader market movements, reflecting the Portfolio Manager's focus on company fundamentals, valuation discipline and active engagement with investee companies.

After such strong performance in recent years, an obvious question for shareholders to ask is whether the Portfolio Manager can continue to find attractive value opportunities. They acknowledge that valuations have risen, but this was from a very low starting point post-COVID, and they believe that UK listed companies continue to trade at significant discounts to their international peers. During 2025, they took profits in several stocks that performed strongly, notably the Banks and Insurance companies, recycling capital into new holdings such as Johnson Matthey and Smith & Nephew. The ability to invest up to 30% in companies listed outside the UK also gives the Portfolio Manager the opportunity to find attractive investment ideas from a wider universe.

Further details of the Portfolio Manager's investment approach, portfolio construction and significant

contributors to and detractors from returns in the year can be found in the Portfolio Manager's Report. At the year end, the Company's net gearing was 5.8% (2024: 8.4%).

## Dividend and Dividend Policy

Total dividends for the year amounted to 15.00p per share (2024: 11.25p per share), an increase of 33.3% and representing a yield of 4.0% at the year end.

The Board continues to monitor the Company's net revenue position closely and, based on the latest forecasts, expects to maintain a progressive dividend policy with future annual dividends increasing over time. However, the pace of this growth is unlikely to match the significant increases seen in the past few years which have been partly due to a strong recovery in underlying dividends post-COVID, but also reflect a change in the Company's distribution policy.

Last year, the Board recognised that many listed companies have been altering the nature of their distributions to shareholders, with substantial growth in the level of share buybacks either alongside or instead of dividends. According to Computershare's UK Dividend Monitor, share buybacks represented 42.1% of the total distributions by UK listed companies in 2025. Unlike dividends, share buybacks by portfolio companies are not recognised as revenue in your Company's accounts. Reflecting this, shareholder authority was obtained at the last AGM to amend the Company's dividend policy to enhance the dividend it pays from its net revenue by using our capital reserves.

It is the Board's current intention to increase the quarterly dividends to 3.90p per share in 2026, (2025: 3.75p per share) making a total of 15.60p per share for the year (2025: 15.0p per share), an increase of 4.0%, representing an annualised dividend yield of 4.3%, based on the share price at the time of writing. In line with the dividend policy described above, the total annual dividend will include 3.0p per share per annum (0.75p per share per quarter) paid from capital reserves, equivalent to c.0.8% of net assets.

## Discount/Premium Management

The Board remains committed to an active policy to manage the Company's share price relative to its Net Asset Value. In the first two months of 2025, the Company repurchased 791,246 shares to be held in treasury at an average discount of 6.4%, for a total consideration of £2.2m. However, the combination of strong performance, a rising dividend and increased marketing has led to significant

demand for the Company's shares, particularly from retail investment platforms such as interactive investor and Hargreaves Lansdown. This has helped move the Company's share price to a premium to Net Asset Value per share. I am pleased to report that as a result, the Company was able to re-issue 5,045,000 shares out of treasury during the year at an average premium of 3.0%, raising £18.6m.

On 31 December 2025, there were 289,649,378 shares in issue (excluding the 44,714,447 shares held in treasury). Since this date to 18 March 2026, a further 8,070,000 shares have been re-issued from treasury at an average premium of 2.9%, raising a further £31.5m. As a result, the Company's market capitalisation is £1.1bn at the time of writing, up from £776m at the start of 2025.

The Board's strategy has been to issue shares at a small premium to Net Asset Value in order to provide liquidity for buyers. Growing the Company's assets also helps to reduce expenses, by spreading the Company's fixed costs across a wider base.

The Board is not complacent about the Company's premium rating at a time when the majority of Investment Companies are trading at discounts. We have demonstrated our commitment to discount control in recent years, repurchasing shares with a value of £114.3m between 1 January 2021 and 31 December 2025, representing 14.99% of the Company's share capital. Should the Company trade on a discount in future, we would seek to resume our active buyback policy.

## Investment Universe

In our last Annual Report, we highlighted that the Board monitors the Company's investable universe to ensure that the Portfolio Manager has a large enough opportunity set to build a diversified portfolio of attractively valued investments. In recent years, the number of takeovers and delistings has significantly exceeded the number of IPOs. According to Redwheel, the universe of UK listed companies greater than £1bn is now 236, 22 of which we already hold, compared with 20 out of 226 two years ago. Another consequence of de-equitisation in the UK market is a rise in concentration of dividend payments, and the top 20 dividend payers in the FTSE All-Share Index now account for around 63% of the index yield.

At present, the Portfolio Manager continues to believe that the opportunity set is large enough under the Company's current investment restrictions. However, should the universe of UK listed companies continue to reduce materially, the Board may in the future propose a broadening of the investment policy to increase the ability of our Portfolio Manager to access overseas opportunities beyond the current 30% limit. Any such proposal would require shareholder approval.

## Environmental, Social & Governance ("ESG") Issues

ESG matters continue to be an important priority for the Board, and our objective remains to have full disclosure on the topic. The Board continues to request that our Portfolio Manager monitor, evaluate and actively engage with investee companies with the aim of preserving or adding value to the portfolio. Our Portfolio Manager reports back to the Board regularly on ESG related matters. Further details can be found in the Portfolio Manager's Report.

## Board Changes

This is my first Chair's Statement for Temple Bar, having been appointed as Chair on 2 December 2025 when Richard Wyatt retired from the Board. Richard joined the Board in November 2017, and took over as Chair in May 2023. I would like to thank Richard for his significant contribution, and I take on the role of Chair with the Company in a far stronger position than it has been for many years. Together with Arthur Copple, the previous Chair, Richard was instrumental in the decision to appoint Redwheel as Portfolio Manager in 2020, at a time when value investing was firmly out of favour.

As part of the Board's refreshment policy, two new directors, Nick Bannerman and Wendy Colquhoun, were appointed in the summer, and they have both quickly settled into their roles. There have also been some changes in Board responsibilities. Dr Shefaly Yogendra succeeded me as the Senior Independent Director and Wendy Colquhoun succeeded Shefaly as the Chair of the Management Engagement Committee.

## Annual General Meeting (“AGM”)

The AGM this year will again be held at Barber-Surgeons’ Hall, Monkwell Square, Wood St, Barbican, London EC2Y 5BL, on Tuesday, 5 May 2026 at 11.30am. Shareholders and guests are welcome to attend in person where you will be able to hear a presentation from the portfolio management team Nick Purves and Ian Lance and also to meet the Board of Directors. This year’s AGM is notable as it marks the Company’s centenary. Temple Bar Investment Trust Plc was founded as Cable, Telephone and General Trust Limited in June 1926.

For those investors who are not able to attend the meeting in person, a video recording of the Portfolio Manager’s presentation will be uploaded to the website after the meeting. Shareholders can submit questions in advance by writing to the Company Secretary at [TMPL@frostrow.com](mailto:TMPL@frostrow.com).

Shareholders are invited to register their vote in advance by 11.30am on Thursday, 30 April 2026 at the latest. The votes on the resolutions to be proposed at the AGM will be conducted on a poll. The results of the poll will be published following the conclusion of the AGM by way of a stock exchange announcement and on the Company’s website: [www.templebarinvestments.co.uk](http://www.templebarinvestments.co.uk).

The Board strongly encourages shareholders to register their votes online in advance (information on how to vote can be found on page 52). Registering your vote in advance will not restrict shareholders from attending and voting at the meeting in person should they wish to do so. The Board recommends that shareholders vote in favour of all the resolutions set out in the Notice of AGM, beginning on page 97, as the Directors intend to do ourselves.

## Outlook

It would be easy for investors to take fright given the uncertain macro-economic and geopolitical outlook. In the UK, economic growth remains anaemic, with a rising tax burden on businesses and renewed inflationary fears following the recent surge in energy prices. It is worth recognising, though, that the Company’s performance is not closely correlated to the health of the UK economy. Indeed, the Portfolio Manager estimates that only approximately 35% of the underlying revenue of portfolio companies comes from the UK. In part, this reflects the global nature of many UK listed companies, particularly in the Oil and Mining sectors, but it is also a result of the Company’s exposure of up to 30% in businesses listed overseas.

On a global level, the outlook is equally uncertain, with rising protectionism, concern over the impact of AI on corporate profits, as well as an escalation of hostilities in the Middle East. However, the Company’s Portfolio Manager has historically been very adept at taking advantage of periods of market dislocation. Rather than trying to predict the near term impact of macro-economic events, they focus on what a company’s profits are likely to be over the next five or more years. They believe that a temporary reduction in profits over a year or two does very little to alter the long-run intrinsic value of that business. Periods of volatility in markets can provide opportunities for their disciplined value-driven approach. As a result, the Board believes that Temple Bar is well-placed to continue delivering attractive long-term returns for shareholders through a combination of capital growth and income.

### Charles Cade

Chair  
19 March 2026

“Our approach is to accept that share price volatility is part and parcel of equity investing. We would encourage investors to see volatility as their friend to the extent that it offers an opportunity to invest in good businesses at bargain prices.”\*



\* Source: Redwheel.

# Investment Approach

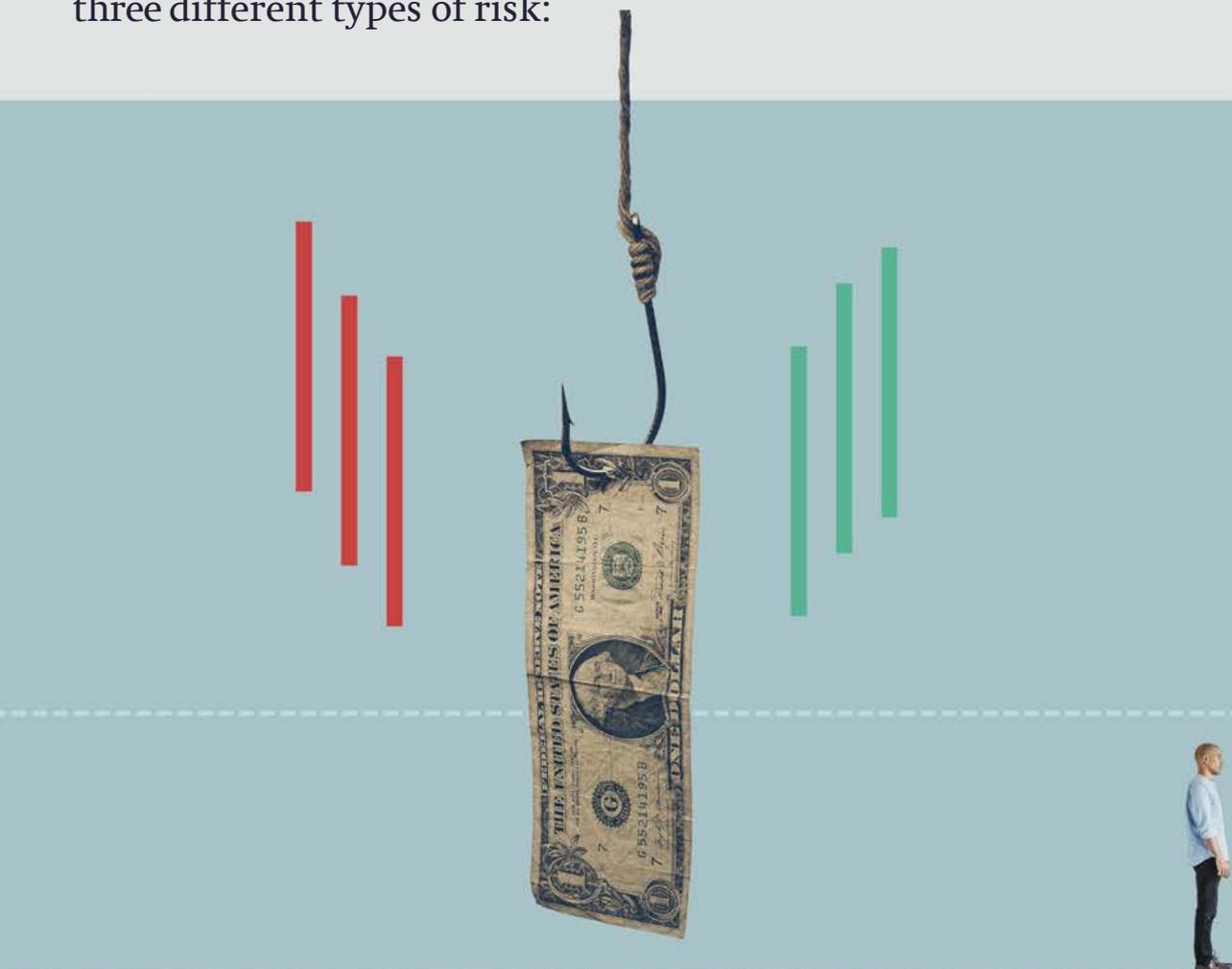
## A classic approach to value investing

The portfolio management team of Nick Purves and Ian Lance are long-term intrinsic value investors who believe that short-term sentiment amongst many market participants causes them to overreact to news, which has little or no impact on the long-run value of a business. This overreaction causes share prices to diverge from the intrinsic value of the underlying business and provides an opportunity for long-term investors to purchase shares at less than their true value. In the long term the share price tends to move closer to the intrinsic value of the business and this creates excess returns for investors who purchased shares at low valuations. The team form a view of a company's long-run profit potential and make balance sheet adjustments to assess intrinsic value. They use their experience and knowledge of companies and sectors to identify those companies that are more likely to recover and improve in the future.

## Identifying quality and avoiding value traps

Some value strategies simply apply mechanistic measures to identify undervalued stocks but this can lead to investing in businesses that are in structural decline; they may be cheap but their potential to recover is limited. Instead, the portfolio management team's 'intrinsic value' approach aims to identify undervalued, yet good, quality companies with strong cash flows and robust balance sheets. The portfolio management team put a strong emphasis on financial strength because it gives them the confidence that a company can survive through a prolonged period of lower profitability caused by company-specific issues, or an unexpected downturn in the economy.

As Temple Bar's Portfolio Manager, Redwheel aims to avoid lower-quality stocks or so called 'value traps' by monitoring companies against three different types of risk:





**Valuation** – Extrapolating favourable trends and paying more than the intrinsic value of the business (e.g. avoiding a situation where something is positively impacting a company’s share price in the short term but that isn’t sustainable longer term);

**Earnings** – the risk that the earnings of the company decline for cyclical or secular reasons (e.g. the industry or sector that the business operates in is itself in cyclical or long-term decline); and

**ESG** – unethical or neglectful behaviour by a company in one of these areas can harm those who invest as well as the environment or society in which a company is located. We believe that applying ESG best practices, such as consideration of environmental and product safety, workplace diversity and strong corporate governance can contribute to long-term investment returns while mitigating risks.

In the diagram overleaf Redwheel has set out some of the key factors it considers when seeking to uncover the most compelling value opportunities.

# 10 Pillars of value investing

Ian Lance and Nick Purves believe value investing is making a comeback. With more than six decades of combined experience in UK equities, here's how they do it.



## Consider probabilities and payoffs

No matter the research, there are always surprises, positive and negative. Think best and worst case scenarios. If we think a share price could go to zero in one scenario, but has 400% upside in another, there is probably a case for investing.



## Enhance, don't drift

Discipline is key to value investing – stick to your philosophy, you're here for the long run. Always look to improve and adapt as things change.



## Simple but not easy

Buying shares for less than their worth then selling when the value has been realised is easy to understand. But most don't invest this way due to a lack of 'sticking with it'. Value investing is tricky – we are hard-wired to conform – but can be rewarding.



## Cycles, cycles, cycles

Profits and share prices are impacted by cycles such as credit, commodity and business. An investor's overreaction can throw up opportunities. An advantage lies in knowing which cycles impact an investment and where we are in that cycle.



## Be contrarian but not mindless contrarian

Investors love to buy what everyone else hates. But having respect for what the market is saying is key. Eagerly buying shares being sold in companies with too much debt, or declining profits, can prove costly and mindlessly contrarian.



**Don't buy rubbish**  
Recently the market has become fixated with quality and growth. Quality and growth are intrinsic to a business's value. We've had success when high quality businesses have been questioned by the market, resulting in low value entry.



**Bargains are rare, make the most of them**  
It's unlikely that you're going to buy a business trading at half its intrinsic value. However, a company or an industry will suffer a drawdown at some stage, which may present an opportunity to buy at a good value.



**Adopt an absolute return mindset**  
Value investing is a risk averse strategy born out of a reaction to the Great Depression. By buying a dollar of value for 50 cents, you build in a 'margin of safety' in case the economy and/or the stock market suffer. Value investors see risk as the risk of permanent capital impairment, so invest with this at top of your mind.



**Be patient, be long term**  
A struggling, out-of-favour business is unlikely to turn around the day after you invest. It's more likely that things continue to get worse, so we try to be patient, allowing for profitability to improve and for the market to recognise it. Our typical holding period is at least five years.



**There is no single correct method**  
Value investing relies on estimating the intrinsic worth of a business. Our experience tells us to be flexible, by adjusting earnings for cyclicality, and to recognise the positive (hidden value), and the negative (e.g. pension fund deficit), on a balance sheet.

# Portfolio Manager's Report

## The Team



**Nick Purves**  
Fund Manager



**Ian Lance**  
Fund Manager

# The Portfolio Manager's Report

## How would you describe your investment philosophy?

We are value investors. This means that we invest the Company's assets in companies whose stock market value is at a significant discount to our assessment of the fair or intrinsic value of the business. Investing in under-valued companies provides two benefits. First, it provides investors with a margin of safety if events don't unfold in a way that investors would have hoped and second, they can expect to receive an excess investment return as and when this under valuation is corrected by the stock market.

## What supports your value-focused approach in today's market environment?

We are so called 'value' investors because numerous academic studies<sup>1</sup> have shown that systematically investing in lowly valued companies has seen investors enjoy an excess long-term investment return above the wider stock market, even though it is often these companies that are seen to operate in the most challenged industries. We believe the reason for this outperformance comes down to psychological factors where investors systematically overpay for those companies whose prospects are seen to be the most attractive, whilst being too quick to overlook or dismiss companies where the outlook is more difficult. By investing the Company's assets in lowly valued companies, we aim to take advantage of these behavioural inconsistencies to the benefit of shareholders.

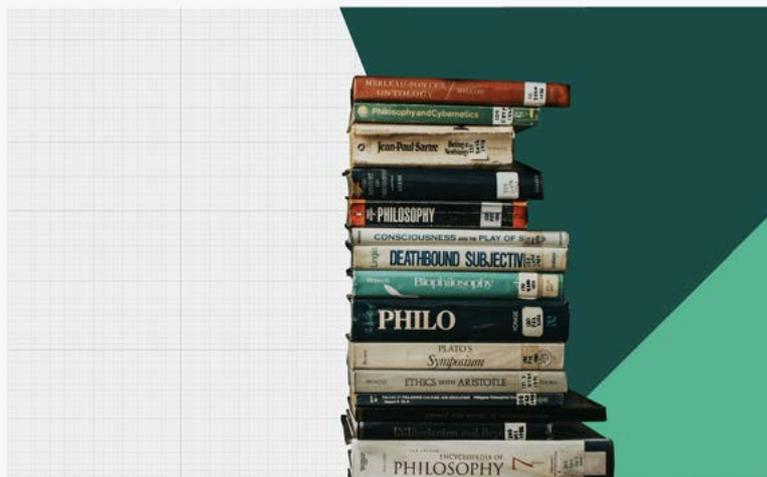
<sup>1</sup> One study from Professors Dimson, Marsh and Staunton used dividend yield as a measure of valuation and demonstrated that the highest yielding part of the US stock market between 1927 and 2022 generated a total return of 11.2% per annum versus 9.4% per annum for the lowest yielding part, meaning that \$1 at the start of the period became \$25,277 in the former but only \$5,513 in the latter. The data for the UK market starts from 1900 with £1 invested producing £199,040 in high yielding stocks versus £9,717 for low yielding stocks.

Source: © Elroy Dimson, Paul Marsh and Mike Staunton; US data is from Professor Kenneth French, Tuck School of Business, Dartmouth (website). UK data is from Elroy Dimson, Paul Marsh, and Mike Staunton, London Share Price Database. Past performance is not a guide to future returns. The information shown above is for illustrative purposes.

## How does this investment philosophy translate into portfolio decisions?

A company's shares will normally trade at a discount to its intrinsic value for one of two main reasons: either because of neglect or controversy. Where the cause is neglect, the stock market is not concerned that there is a particular problem with the business; it is just that the company is seen to offer relatively dull prospects in a world where many investors crave excitement. Where there is a controversy surrounding the company, investors are worried that either a downturn in the economy or some secular change in the company's industry will negatively impact profitability. This uncertainty is unsettling for many investors and can cause them to sell the shares. In a desire to avoid what are sometimes seen as troubled businesses, investors often forget that the purchase of a share exposes them to a very long-term stream of corporate cash flows, the true value of which only changes by a relatively small amount even in the event of a severe recession. The result is that share prices will often overreact to short term news flow. Temple Bar seeks to take advantage of this excess volatility by investing in companies whose shares are significantly undervalued based on a conservative view of a business's long-term profit potential.

We seek, therefore, to identify fundamentally sound but lowly valued companies whose shares are priced to offer higher investment returns in the future. A fundamentally sound business is one that can grow its profits over time (although not necessarily in each year), has strong finances and a capable and sensible management team who allocate capital in the best interests of their shareholders.





### How do you build a portfolio in an uncertain world?

We think that one must recognise from the outset that the economic and stock market outlook is always uncertain, and the future is unknowable. In our view, it is therefore wrong to build a portfolio around a certain view of the economy. After all, who could have predicted the stock market drawdowns caused by the COVID pandemic, or Russia's invasion of Ukraine, or last year's Liberation Day tariffs? Or indeed, in each case, the subsequent stock market recovery? In 2025, the newspapers were full of negative headlines about the UK economy and yet the FTSE All-Share Index delivered a total return of 24%\*. That is not to say that the concerns are not well founded, it is just that there is no predicting when and to what degree they will influence the market.

Our approach therefore is to accept that we can't predict the future and understand that share price volatility, whilst uncomfortable at times, is part and parcel of equity investing. It can after all be thought of as the price that one pays to access the excess investment return that equities have offered over time. We would even go one step further and encourage investors to see volatility as their friend to the extent that it offers an opportunity to invest in good businesses at bargain prices.

Whilst investors should be accepting of share price volatility, they should work hard to minimise the risk of permanent impairment of value. The permanent impairment of the value of an equity can arise in one of three ways. In the first instance it can be where an investor buys into a good company with attractive prospects but at too high a valuation which then corrects downwards even though the company's profits grow at a satisfactory rate. Here, investors have made the mistake of confusing a good company with a good investment and have simply overpaid for the stock. We see this as a risk in the technology sector today, where excitement over the

prospects for AI, has potentially led to the over-valuation of some of the world's largest companies. In the second instance, the company's finances are not strong enough to enable it to weather an economic downturn without having to raise additional capital from shareholders. This additional capital almost always comes at a high price and is very dilutive to the interests of the existing shareholders. In the last instance, the company profits are in long term decline because of adverse secular change in the company's industry.

We try to minimise the risk of impairment by investing in lowly valued, financially strong businesses with profits that can grow over the medium term. If you can successfully put together a diversified group of shares with these characteristics then you are setting yourself up to enjoy attractive investment returns over the medium to long term.

### Has your investment approach it changed over the past year?

No, we have applied the same valuation driven approach relatively successfully over many years. Whilst stock market cycles come and go, as long as human beings continue to demonstrate the behavioural inconsistencies outlined above, then a valuation driven approach should be able to deliver excess return. Of course, lowly valued companies don't deliver excess returns every year; no investment approach does that. As an investment style it can go through more difficult periods and at these times, it is important that we maintain a strong discipline and don't allow our style to 'drift'. It is by maintaining this valuation focus, in good years and bad, that we have been able to deliver significant excess returns for our investors over time. For their part, it is important that the Company's shareholders set their expectations correctly and focus on the longer term.

\* Source: Bloomberg.



### **Temple Bar led its sector during the period; what drove that strong performance?**

The Company's portfolio performed well in 2025. Six stocks, the three UK listed banks, NatWest Group, Barclays and Standard Chartered, insurers Aviva and NN Group, and Johnson Matthey, rose by more than 50% in the year, and each thereby added at least 2% to the Company's absolute return\*. Another eight stocks, including ABN Amro, GlaxoSmithKline, Aberdeen, Macys and BT, each added at least 1% to the Company's absolute return\*.

The three UK listed banks were helped by a reasonable economy, strong net interest margins, benign credit trends and high levels of investment banking activity, all of which combined to result in upgraded profit forecasts for 2025 and 2026.

Johnson Matthey was purchased at the start of 2025 and was the Company's largest holding at the year-end. Despite its market leading positions and technological know-how, we believe that the company is making a sub optimal level of profit. By increasing its margins to an industry standard, the company should be capable of delivering significant growth in earnings, something that was not adequately reflected in the share price. At the time of its results in May, the company announced the sale of one of its divisions and an intention to return most of the proceeds to shareholders. This division accounts for just one quarter of the company's profits and yet the sales proceeds accounted for around two thirds of its market value at the time of the announcement. It is perhaps unsurprising therefore that the shares performed well through the remainder of the year.

Like the Banks, the UK insurer Aviva and the Dutch insurer NN Group, have continued to benefit from higher interest rates, muted insurance losses, benign credit trends, and low starting valuations. Aviva acquired Direct Line for a reasonable price in the summer and this will lead to cost and capital efficiency and improved profit growth.

### **Which holdings performed poorly in 2025 and how do you deal with mistakes?**

Only one stock, WPP, detracted more than 1% from the Company's return\* in the year, more than halving in the period. The share price fall was driven by a marked deterioration in the company's operating performance resulting in a significant decline in the company's profits in 2025.

In these situations, we must judge each case on its own merits and try and disentangle the cyclical and company specific elements from the secular change occurring in the business, as the cyclical and company specific factors can usually be resolved, whereas significant adverse secular change can result in a long-term impairment of value.

In this case, the company has said that macroeconomic conditions have weighed on client spending and there has been less new business than expected. Whilst it is not uncommon for a struggling company to place the blame on a cyclical downturn for downgrades to profit expectations, there is no doubt that poor management and secular changes brought about by the increasing use of AI are at least partly to blame. Whilst these adverse secular forces are undoubtedly a factor, what is less clear is whether these forces are manageable. Given the changing backdrop, the advertising agencies are unlikely to deliver the rates of growth that they have done in the past, but that does not mean that the companies cannot continue to generate a steady stream of profits.

Ultimately, despite our best efforts, in any situation such as this we cannot be sure that profits will stabilise (and that the asset is therefore not impaired), but what gives us confidence in this case is the fact that profits at the other three big global agencies are either stable or growing. Without wishing to downplay the challenges that the industry faces, we therefore believe that at WPP, a significant portion of the company's problems are self-made and therefore can ultimately be resolved.

We find that in these situations, a meeting with management is often helpful. Here, we met with the company's new Chief Executive, Cindy Rose, in November and this confirmed our view that, notwithstanding the changes that the industry is seeing, the company is operating below its longer-term potential and that, as the world's largest marketing agency, it can grow its profits. Accordingly, given the extreme pessimism priced into the shares, we have since added to the Company's holding in the stock.

\* Source: Redwheel.

**How are you using the flexibility to invest outside the UK and how does that shape portfolio resilience?**

The ability to invest a portion of the Company's portfolio outside of UK listed companies is valuable and serves two purposes. First it enables us as portfolio managers to access sectors of the stock market which we believe to be undervalued, but which are not well represented in the UK share index. Second, it enables us to improve the stock specific or geographic diversification in a sector that we think looks undervalued. In Financials, the Company has shareholdings in two Korean banks, as well as the three UK listed banks, NatWest, Barclays and Standard Chartered, thereby reducing the Company's exposure to an upset in the UK economy. Outside the UK, in 2025, the Company invested in the Korean lenders, Hana Financial and Woori, the US department store operator Macys and food retailer Carrefour, all on low, single digit multiples of annual profit\*.

**How is the portfolio positioned today and what is the outlook for future returns?**

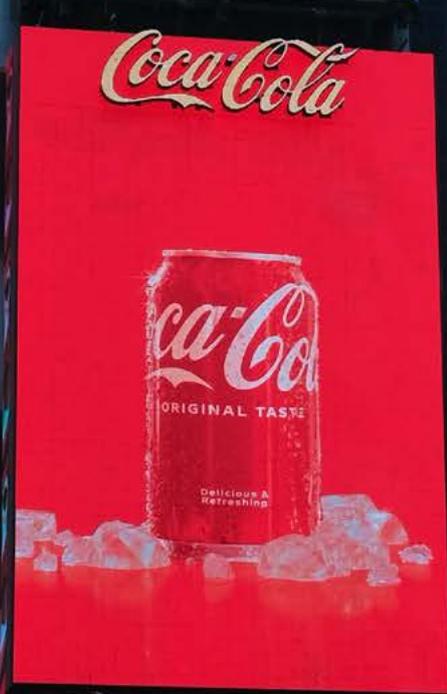
The Company's portfolio continues to be invested in what we believe to be fundamentally sound businesses that should be capable, by virtue of their market positions and the industries in which they operate, of growing their profits over time, but which continue to be modestly valued in the stock market. Stock market history has shown that ultimately, starting valuation is the best determinant of long-term investment return such that when valuations rise, the stock market is pricing in a greater portion of the company's future profit growth and investors should therefore expect to receive a lower investment return. Given the strong share price performance of many of the holdings in the Company, it begs the obvious question as to what the Company's shareholders can reasonably expect in terms of long-term investment return from the starting point of today.

In trying to answer this question, we would be the first to say that, although the profits of the Company's holdings have grown markedly, in many cases they haven't kept up with the rise in the company's share prices. Accordingly, the Company's portfolio has re-rated somewhat over time, thereby implying lower returns in the future. However, we should emphasise that although valuations have risen from the quite extreme levels seen post the COVID pandemic, they are still low in an absolute and historical sense. In aggregate, the Company's portfolio is now valued at around eleven times earnings, higher than it was, but still a discount to the wider UK market\*, and around half the valuation accorded to the wider global equity indices. Accordingly, we believe the Company is still priced to deliver meaningful excess return, and shareholders can look forward to the future with optimism.

**Nick Purves and Ian Lance**  
RWC Asset Management LLP ("Redwheel")

19 March 2026

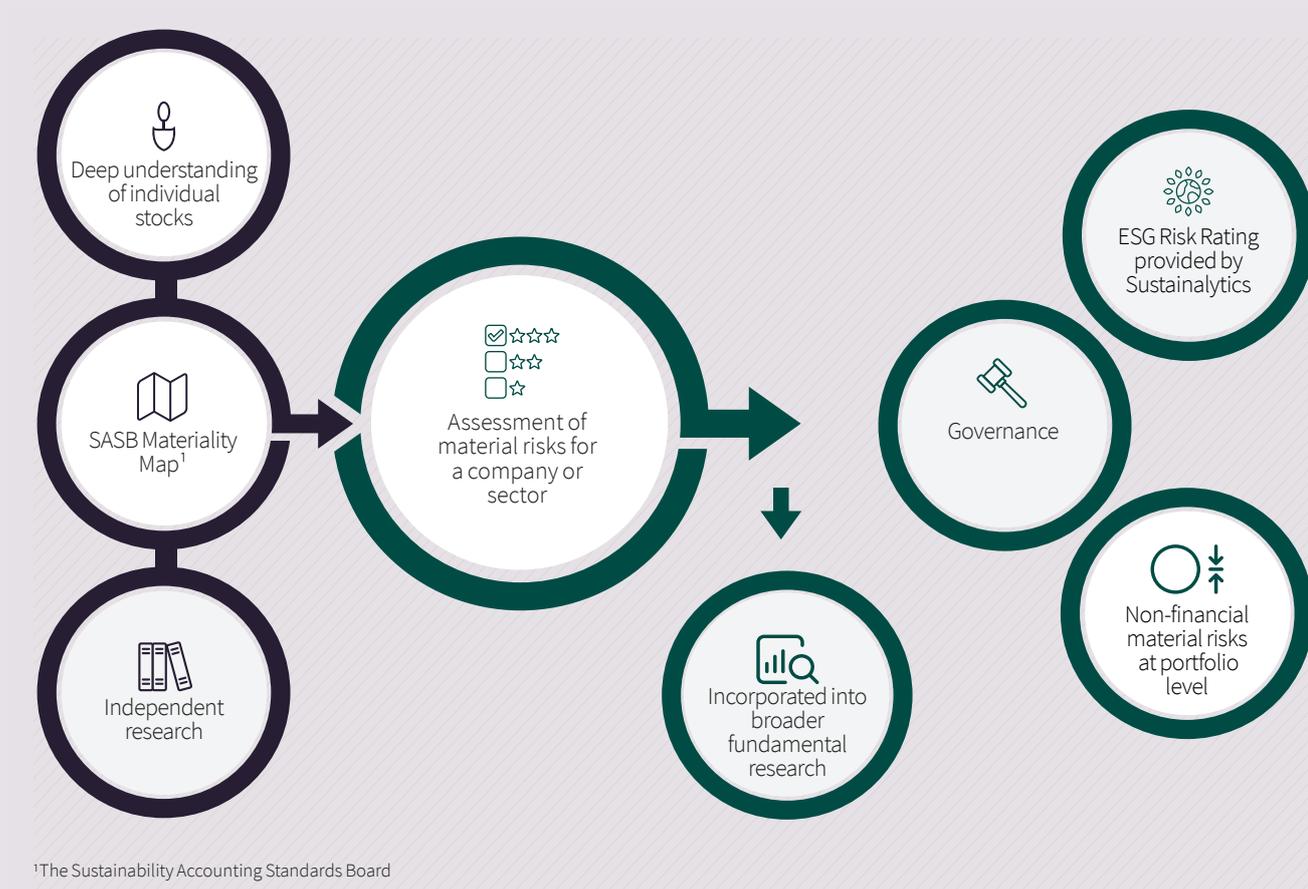
\* Source: Redwheel.



# Our Approach to ESG

ESG is incorporated into the investment process rather than being implemented by a centralised team.

ESG is integrated in to our stock research as one of the four risks we assess before investing in a company (along with valuation risk, business risk and balance sheet risk).



“We see our role as stewards of our investors’ capital as wholly consistent with investing responsibly and encouraging our investee companies to act sustainably. Sustainability and our long-term investment horizon go hand-in-hand. Furthermore, as value investors, we believe we can have an outsized impact on sustainability issues, as these are often of greater importance to older economy companies that typically fall into our value universe, particularly on environmental issues.”

Redwheel UK Value & Income Team Stewardship Policy, 2023



**Environmental**

The potential for climate issues to cause a material financial impact on the value of individual companies has increased dramatically in the past decade;

We believe that the answer to environmental problems is not as simple as divesting from challenged sectors; and

By actively engaging with companies, by supporting them in the transition to a sustainable business model, we believe the outcome can be better for the Company and the environment.

**Social**

We believe companies should be mindful of the interests of all stakeholders; and

Companies treating their employees, customers, or suppliers badly store up future problems for the business in terms of human capital, brand value and reputation.

**Governance**

Governance has always been at the heart of our process as we believe it sets the basis for the culture of a firm, supporting long-term value creation and positive environmental and social outcomes; and

Governance means shareholder rights, governance structures and aligning management with shareholders through remuneration policies.

# Engagement Case Studies

# Royal Dutch Shell



**ESG Risk:**  
Environmental and Governance

## Background:

Royal Dutch Shell (“Shell”) plc is a global integrated energy company headquartered in London, United Kingdom. The company operates across the full energy value chain with a strategic focus on delivering more value with less emissions as it works toward becoming a net-zero emissions business by 2050.

The Integrated Gas business focuses on natural gas exploration, LNG production, and gas to liquids (GTL) technologies, supported by extensive infrastructure and global LNG trading leadership—managing around 10% of the global LNG fleet.



## Our engagement:

At Shell’s 2025 AGM, a shareholder proposal was filed by Brunel Pension Partnership, Greater Manchester Pension Fund, Merseyside Pension Fund and the Australasian Centre for Corporate Responsibility (ACCR) which focused on Shell’s LNG strategy, how the strategy aligns with the company’s climate commitments and highlighting how the company’s forecast for LNG demand growth is very optimistic, relative to IEA scenarios.

From a climate perspective, the proposal raised the question as to whether growth in its LNG business can be aligned with a Net Zero commitment, whilst from a shareholder value perspective it raises the question as to whether the demand for LNG will materialise as the company envisages.

To assess the Proposal, the Redwheel team met with both Shell and the ACCR and listened to other views via the Shell CA100+ Collaboration. Two in-person company meetings took place in April: firstly, with the CFO and subsequently with Shell’s Chairman. The Portfolio Manager joined the ACCR webinar introducing their Shell LNG research and had a follow-up meeting with ACCR at Redwheel’s offices.

The Portfolio Manager voted against the resolution, but following an undertaking from the company to engage further with the Redwheel team on the matter.

## Outcome:

The resolution did not pass; however, it received 20.6% support. Under the UK Corporate Governance Code, as more than 20% of votes were cast against Shell, the company is required to explain what actions they intend to take to consult shareholders.

The company did honour their commitment to engage with Redwheel on this matter; the team met with Shell in November. Shell said they were committed to an extensive, single document, disclosure. This will be designed to aid investors’ understanding of Shell’s position and the risks and opportunities for their LNG strategy. The Redwheel team will review the document once available and engage further as required.

# Marks & Spencer Group



**ESG Risk:**  
Social

## Background:

Marks & Spencer Group (“M&S”) is a major British multinational retailer headquartered in London and listed on the London Stock Exchange, where it is a constituent of the FTSE 100 Index. M&S’s core business is the sale of clothing, beauty and homeware, largely under its own private labels, positioned in the mid market. A second pillar is its premium food operation, which offers convenience and “food to go” alongside higher end grocery and prepared meals, and represents a substantial share of UK revenues.



## Our engagement:

A group of investors, co-ordinated by Share Action, put forward a proposal requesting a report detailing M&S’s UK wage policies, including base pay practices, oversight and pay levels relative to the real Living Wage. The M&S board recommended voting against the resolution highlighting the investment in retail pay since 2022, that in 2025 pay for customer assistants increased in line with the Real Living Wage, and that the company already provides comprehensive disclosures.

The resolution did not pass, however it received 30.7% support. Under the UK Corporate Governance Code, as more than 20% of votes were cast against M&S, the company must state the actions it plans to take to consult shareholders and understand the reasons for the significant opposition. M&S contacted Redwheel for their feedback on the vote. M&S later published an update on the views received from shareholders and actions taken.

With employee relations and brand perception of paramount importance to a retail business, a shareholder proposal of this nature is a material issue for investor consideration. It is even more important for M&S, which has built a reputation of trust among UK customers. In 2025, it was named the UK’s most trusted retailer, based on a survey of UK customers by GlobalData ([link](#)).

Ahead of the AGM, Redwheel reviewed the shareholder proposal and took part in a call hosted by the Investor Forum where M&S’s CFO and People Director provided further background on why they believed shareholders should vote against the proposal. The Redwheel team then engaged directly with M&S to gain additional understanding of management’s position, seeking clarity on several key issues. Based on their analysis and engagements, they took the decision to vote against the proposal.

## Outcome:

Following the AGM, M&S contacted Redwheel for our feedback on the vote. The Redwheel team provided feedback on how the company approached the Shareholder Proposal and where they might improve communications with shareholders. For their part, the company has increased engagement with, and disclosures about, their third-party workforce. This includes greater opportunity for third-party workers to participate in colleague surveys and to gain access to some full-time staff benefits, such as store discounts.

# Anglo American



**ESG Risk:**  
Governance

## Background:

Anglo American is a global mining company headquartered in London. The company owns a diversified portfolio of commodities, including bulk commodities such as iron ore and steel making coal and base metals such as copper and manganese. Anglo American owns 85% of De Beers Group, the world's leading diamond company and is developing Woodsmith, the world's largest-known deposit of polyhalite, a natural mineral fertiliser, in the north east of England.

The company is undergoing a restructuring of its businesses, prompted by a takeover approach from the BHP Group in 2024. In 2025, the company sold its nickel business to MMG Singapore Resources, it demerged and

spun off its precious metals business as Valterra Platinum and continued the sale process of its stake in De Beers and its steelmaking coal assets. In September, the company announced a merger of equals with Teck Resources, a Canadian miner of copper and zinc.

The new company will be called Anglo Teck, headquartered in Canada, with a primary stock market listing in London. It is expected to offer more than 70% copper exposure, along with premium iron ore and zinc assets.



## Our engagement:

Following the merger announcement, shareholders were invited to approve the merger and the company's name change to Anglo Teck. The Notice of General Meeting also included a resolution to amend executive directors' share awards. The company wrote to shareholders expanding on the rationale for the changes contained in the resolution. The proposed amendment guaranteed a minimum vesting of 62.5% of share awards upon completion of the merger, irrespective of performance metrics related to shareholder returns, cashflow, return on capital, and ESG criteria.

While management has delivered significant shareholder value over the past eighteen months, the Redwheel team opposed the adjustment of in-flight long-term incentive plans ("LTIPs") and the shift away from performance-based outcomes, as this contravenes the pay-for-performance principle. Redwheel communicated these concerns directly to the Chairman of the Remuneration Committee.

## Outcome:

Anglo American withdrew the resolution to amend the LTIP prior to the General Meeting, citing extensive shareholder engagement and concerns regarding general remuneration principles. The resolutions to approve the merger and the company name change received over 99% shareholder approval.

# Portfolio of Investments

## Top ten holdings

### 1. Johnson Matthey

Johnson Matthey is a British multinational speciality chemicals and sustainable technologies company, that develops and manufactures catalysts, materials and solutions to reduce emissions, support clean energy and improve industrial processes worldwide.

**Sector:** Materials  
**Place of primary listing:** UK  
**Valuation £'000:** 61,438  
**% of portfolio:** 5.4

### 2. Shell

Shell explores for, produces, and refines petroleum. The company produces fuels, chemicals, and lubricants. Shell owns and operates gasoline filling stations worldwide.

**Sector:** Energy  
**Place of primary listing:** UK  
**Valuation £'000:** 51,803  
**% of portfolio:** 4.6

### 3. BT Group

BT is a telecommunications company that provides fixed-line, mobile, broadband, TV and IT services to consumers, businesses and public sector organisations in the UK and around the world. It is the UK's largest provider of telecoms services and digital connectivity.

**Sector:** Communications  
**Place of primary listing:** UK  
**Valuation £'000:** 51,394  
**% of portfolio:** 4.6

### 4. NatWest Group

NatWest Group operates as a banking and financial services company. The Bank provides personal and business banking, consumer loans, asset and invoice financing, commercial and residential mortgages, credit cards, and financial planning services, as well as life, personal, and income protection insurance.

**Sector:** Financials  
**Place of primary listing:** UK  
**Valuation £'000:** 50,190  
**% of portfolio:** 4.4

### 5. WPP

WPP is an advertising, communications and public relations holding company headquartered in London that provides integrated marketing, media, data and technology services to major global brands through its network of agencies.

**Sector:** Communications  
**Place of primary listing:** UK  
**Valuation £'000:** 48,791  
**% of portfolio:** 4.3

### 6. NN Group

NN Group is a financial services company that provides insurance, pensions, retirement services, banking and investment products to millions of customers across Europe and Japan.

**Sector:** Financials  
**Place of primary listing:** Netherlands  
**Valuation £'000:** 45,747  
**% of portfolio:** 4.1

### 7. BP

BP is an oil and petrochemicals company. The company explores for and produces oil and natural gas, refines, markets, and supplies petroleum products, generates solar energy, and manufactures and markets chemicals.

**Sector:** Energy  
**Place of primary listing:** UK  
**Valuation £'000:** 44,881  
**% of portfolio:** 4.0

### 8. ITV

ITV provides broadcasting services. The company produces and distributes content on multiple platforms. ITV serves customers in the United Kingdom.

**Sector:** Communications  
**Place of primary listing:** UK  
**Valuation £'000:** 44,701  
**% of portfolio:** 4.0

### 9. Aviva

Aviva operates as an international insurance company that provides all classes of general and life assurance. The company also offers a variety of financial services, including long-term savings and fund management.

**Sector:** Financials  
**Place of primary listing:** UK  
**Valuation £'000:** 44,543  
**% of portfolio:** 3.9

### 10. Marks & Spencer Group

Marks & Spencer Group operates a chain of retail stores. The company sells consumer goods and food products, as well as men's, women's, and children's clothing and sportswear.

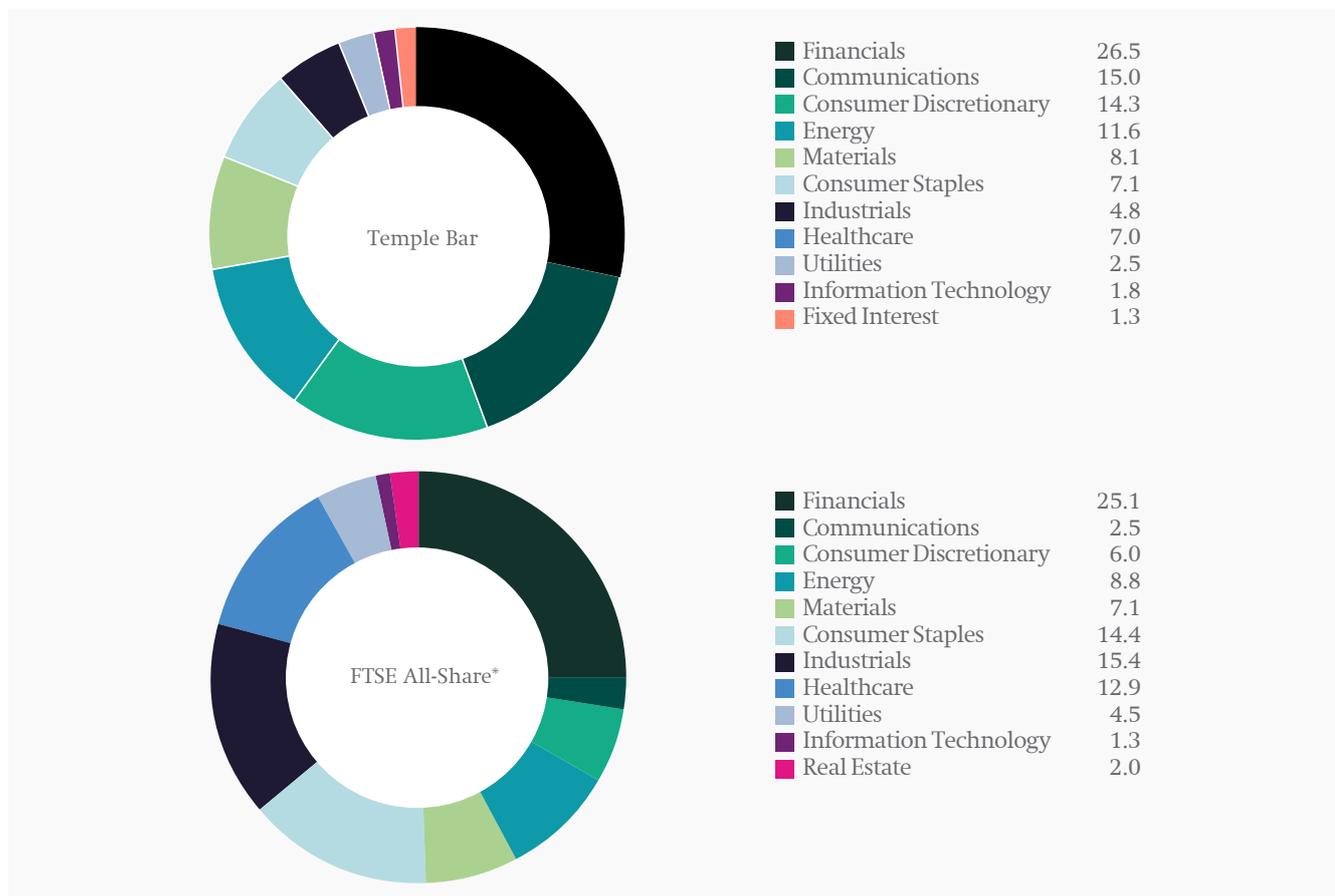
**Sector:** Consumer Staples  
**Place of primary listing:** UK  
**Valuation £'000:** 39,752  
**% of portfolio:** 3.5

	Company	Sector	Place of primary listing	Valuation £'000	% of portfolio
11	GSK	Healthcare	UK	39,362	3.5
12	Smith & Nephew	Healthcare	UK	38,839	3.5
13	Barclays	Financials	UK	36,973	3.3
14	Macys	Consumer Discretionary	United States	36,662	3.3
15	Standard Chartered	Financials	UK	36,609	3.2
16	TotalEnergies	Energy	France	34,329	3.0
17	Aberdeen Group	Financials	UK	34,119	3.0
18	Anglo American	Materials	UK	30,179	2.7
19	Centrica	Utilities	UK	28,324	2.5
20	Woori	Financials	South Korea	27,329	2.4
<b>Top 20 Investments</b>				<b>825,965</b>	<b>73.2</b>
21	Currys	Consumer Discretionary	UK	25,430	2.2
22	Pearson	Consumer Discretionary	UK	24,787	2.2
23	Hana Financial	Financials	South Korea	24,350	2.2
24	Vodafone Group	Communications	UK	23,907	2.1
25	Carrefour	Consumer Staples	France	23,779	2.1
26	International Airlines Group	Industrials	Spain	22,572	2.0
27	Kingfisher	Consumer Discretionary	UK	20,125	1.8
28	HP	Information Technology	United States	19,940	1.8
29	CK Hutchison Group	Industrials	Hong Kong	18,404	1.6
30	Stellantis	Consumer Discretionary	Netherlands	18,059	1.6
31	Honda Motor	Consumer Discretionary	Japan	17,462	1.5
32	Diageo	Consumer Staples	UK	16,810	1.5
33	Capita	Industrials	UK	13,517	1.2
34	Molson Coors Beverage	Consumer Discretionary	United States	8,799	0.8
35	Continental	Consumer Discretionary	Germany	8,000	0.7
36	Aumovio	Consumer Discretionary	Germany	2,524	0.2
<b>Total Equity Investments</b>				<b>1,114,430</b>	<b>98.7</b>
	Short-dated UK T-Bills	Fixed Interest	UK	14,462	1.3
<b>Total Valuation of Portfolio</b>				<b>1,128,892</b>	<b>100.0</b>

# Portfolio Distribution

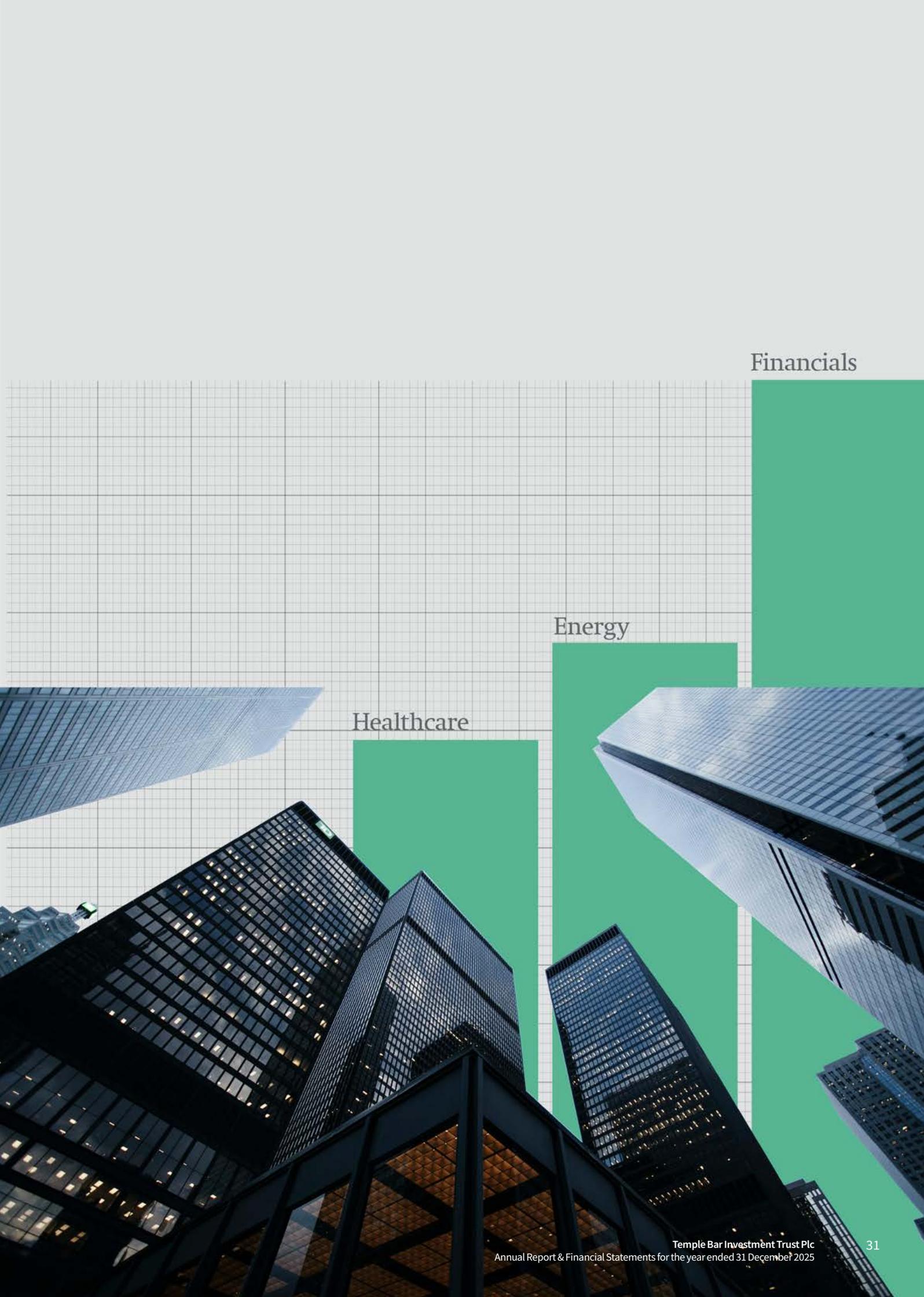
As at 31 December 2025

Industry	Temple Bar %	FTSE All-Share* %
Financials	26.5	25.1
Communications	15.0	2.5
Consumer Discretionary	14.3	6.0
Energy	11.6	8.8
Materials	8.1	7.1
Consumer Staples	7.1	14.4
Healthcare	7.0	12.9
Industrials	4.8	15.4
Utilities	2.5	4.5
Information Technology	1.8	1.3
Real Estate	—	2.0
<b>Total Equities</b>	<b>98.7</b>	<b>100.0</b>
Fixed Interest	1.3	-
<b>Total Portfolio</b>	<b>100.0</b>	<b>100.0</b>



Source: Redwheel

\*FTSE All-Share ex investment Trusts



Financials

Energy

Healthcare

# Overview of Strategy

The Strategic Report is designed to help shareholders assess how the Directors have performed their duty to promote the success of the Company during the year under review.

## Business of the Company

Temple Bar Investment Trust Plc was incorporated in England and Wales in 1926 with the registered number 00214601.

The Company carries on business as an investment company under Section 833 of the Companies Act 2006 and has been approved by HM Revenue & Customs as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010.

## Section 172 Statement

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006 ("Section 172"). In doing so, Directors must take into consideration the interests of the various stakeholders of the Company, having regard, amongst other matters, to the following six items:

The likely consequences of any decision in the long term	All Board discussions include consideration of the longer-term consequences of key decisions and their implications for relevant stakeholders. In managing the Company during the year under review, the Board acted in the way which it considered, in good faith, would be most likely to promote the Company's long-term sustainable success and to achieve its wider objectives for the benefit of our shareholders as a whole, having had regard to our wider stakeholders and the other matters set out in Section 172.
The interests of the Company's employees	This provision is not relevant as the Company does not have any employees.
The need to foster the Company's business relationships with suppliers, customers and others	The Board's approach is described under "Stakeholders" on the following page.
The impact of the Company's operations on the community and the environment	The Board takes a close interest in responsible investment issues and sets the overall strategy. Management of the portfolio is delegated to the Portfolio Manager, which is responsible for the practical implementation of policy. A description of the Company's approach to stewardship and the role of the Portfolio Manager is set out on page 43.
The desirability of the Company maintaining a reputation for high standards of business conduct	The Board's approach is described under "Culture" on page 34.
The need to act fairly between shareholders of the Company	The Board's approach is described under "Shareholders" on the following page.

## In considering the primary purpose of the Company, the Board made several key decisions during the year. The Board:

- continued to instruct the use of share buy backs and share issuance as a means of stabilising the share price discount/premium to NAV in response to sector weakness or increased demand for the Company's shares as a result of strong performance (for further details see pages 7 and 50);
  - worked with the Portfolio Manager and Frostrow to maintain a high level of shareholder engagement via webinars, newsletters and other events, with a focus on reaching retail investors; and
  - increased dividend payments at a sustainable level based on income received from investments together with the use of the Company's capital reserves (for further details see page 35).
- The Directors have reviewed and discussed each aspect of Section 172 and consider that the information set out on pages 32 and 33 is particularly relevant in the context of the Company's business as an externally managed investment company which does not have any employees or suppliers.



### Stakeholders

The Board continuously seeks to understand the needs and priorities of the Company's stakeholders, and these are taken into account during all of its discussions and as part of its decision making. As the Company is an externally managed investment company and does not have any employees or customers, it therefore has very little direct impact on the community or the environment. Its key stakeholders comprise its shareholder base and its lender. The Company also has important contractual relationships with its key service providers but does not consider these to be stakeholders. The Company recognises the indirect impact it may have on the community and the environment through its investee companies. Further details on this are set out on pages 33 to 43. The sections below outline why these key stakeholders are considered of importance to the Company and the actions taken to ensure that their interests are considered.

### Shareholders

The primary purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments. Continued shareholder support and engagement are critical to the existence of the Company and the delivery of its long-term strategy.

The Board recognises the importance of engaging with shareholders on a regular basis to maintain a high level of transparency and accountability and to inform the Company's decision making and future strategy.

The Board primarily engages with shareholders through direct engagement by the Chair (including with the Board at the Company's Annual General Meeting) and through the Portfolio Manager and Frostrow who maintain an ongoing dialogue with shareholders through regular shareholder communications, both written and verbal, and also through in person and online meetings (including webinars). The Portfolio Manager has continued to publish quarterly newsletters written by the portfolio management team, which explore their ideas and philosophies around investing and explain the positioning of the portfolio. Online statistics on engagement show that these newsletters remain very popular with shareholders. Additional dialogue with shareholders is achieved through the annual and half-yearly reports,

both of which contain reports from the Portfolio Manager, the daily NAV announcements and the monthly fact sheet which is available on the Company's website. Portfolio data is also provided to external providers such as Morningstar, which feeds several websites on a monthly basis.

One of the Board's long-term strategic aspirations has been that the Company's shares should trade consistently at a price close to the NAV per share. During the year under review, challenging stock market conditions continued to have a negative impact on share price discounts across the investment company sector, (the average discount was 8.3%\* as at 31 December 2025). The Company utilised share buybacks during the early part of the year to help manage the discount and moderate short-term market pressures. From October, however, in response to a sustained improvement in demand for the Company's shares, as a result of strong performance and the Company's increased yield, the Company's share price moved to a premium to the NAV per share, and it was able to resume issuing shares, reflecting renewed investor interest. At the year end, the shares were trading at a 1.4% premium to the NAV per share. The Board, the AIFM and the Portfolio Manager have continued to focus heavily on the promotion of the Company, in order to encourage long-term buying interest and supporting a market rating close to, or at times above, the NAV per share.

An important role of the Board is to ensure that the Company's ongoing charges are competitive both in terms of its peer group and other comparable investment products. While having an optimal service provider structure brings inevitable cost, excessive expense can eat away at investment returns over time. For that reason, the Board remains focused on limiting cost increases to shareholders as far as possible, despite the current inflationary environment.

All shareholders are encouraged to attend and vote at AGMs, at which the Board and the portfolio management team are available to discuss issues affecting the Company and to answer any questions. Further details regarding the AGM are set out in the Notice of AGM on pages 97 to 100.

\* Source: Cavendish Securities.

### Lenders

Alongside shareholders' equity, the Company is partly funded by debt. All the Company's debt is subject to contractual terms and restrictions. We have an established procedure to report regularly to our lender on compliance with debt terms. It is our policy that all interest payments and repayments of principal will continue to be made in full and on time.

### Service Providers

To function as an investment trust listed on the London Stock Exchange, the Company relies on a number of suppliers and advisers for support in complying with all relevant legal and regulatory obligations.

The Company's day-to-day operational functions are delegated to a number of third-party service providers, each engaged under separate contracts. The Company's principal service providers are the Portfolio Manager, Alternative Investment Fund Manager, Administrator and Company Secretary, Custodian and Depositary, Broker and the Registrar.

Over the past five years the Board believes it has continued to develop a close and constructive working relationship with the Portfolio Manager, which it believes is crucial to promoting the long-term success of the Company. Representatives of the Portfolio Manager attend Board meetings and provide reports and verbal updates on matters relating to investments, performance and marketing.

The Board, primarily through the Audit and Risk and Management Engagement Committees, keeps the ongoing performance of the Portfolio Manager and the Company's other principal third-party service providers under continual review.

### Culture

The purpose of the Company is to deliver long-term returns for shareholders from a diversified portfolio of investments. These investments will primarily be UK listed. The Company has no employees, but the culture of the Board is to promote strong governance and a long-term investment outlook with an emphasis on investing in businesses that can deliver enduring value to shareholders. Therefore, the Board asks the Company's Portfolio Manager to invest in stocks that fulfil the traditional metrics of the value style but also possess a business model that is resilient and viable in the long term.

### Investment Objective and Policy

The Company's investment objective is 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-listed 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.

### Investment Guidelines

The UK equity element of the portfolio will be mostly invested in the FTSE All-Share Index; however, exceptional positions may be sanctioned by the Board and up to 30% of the portfolio may be held in listed international equities, subject to a maximum 10% exposure to emerging markets. The Company may continue to hold securities that cease to be quoted or listed if the Portfolio Manager considers this to be appropriate. There is an absolute limit of 10% of the portfolio in any individual stock with a maximum exposure to a specific sector of 35%, in each case irrespective of their weightings in the Benchmark.

It is the Company's policy to invest no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

The Company maintains a diversified portfolio of investments, typically comprising 30-50 holdings, but without restricting the Company from holding a more or less concentrated portfolio from time-to-time as circumstances require.

The Company's long-term investment strategy emphasises stocks of companies that are out of favour and whose share prices do not match the Portfolio Manager's assessment of their longer-term value.

From time-to-time fixed interest holdings or non-equity interests may be held for yield enhancement and other purposes. Derivative instruments may be used in certain circumstances, and with the prior approval of the Board, for hedging purposes or to take advantage of specific investment opportunities.

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's gross gearing range may fluctuate between 0% and 30%, based on the current balance sheet structure, with an absolute limit of 50%.

As a general rule, it is the Board's intention that the portfolio should be reasonably fully invested. An investment level of 90% of shareholder funds is regarded as a guideline minimum investment level dependent on market conditions.

Risk is managed through diversification of holdings, investment limits set by the Board and appropriate financial and other controls relating to the administration of assets.

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### Key Performance Indicators

The key performance indicators (“KPIs”) used to determine the progress and performance of the Company over time, and which are comparable to those reported by other investment trusts, are:

- NAV total return relative to the FTSE All-Share Index;
- Discount/premium to NAV;
- Dividends per share; and
- Ongoing charges.

While some elements of performance against KPIs are beyond the Board’s and Portfolio Manager’s control, they provide measures of the Company’s absolute and relative performance and are, therefore, monitored by the Board on a regular basis.

### NAV Total Return

In reviewing the performance of the assets in the Company’s portfolio the Board monitors the NAV in relation to the FTSE All-Share Index. This is the most important KPI by which performance is judged. During the year the NAV total return with debt at fair value of the Company was 33.9% compared with a total return of 24.0% by the FTSE All-Share Index. As noted in both the Chair’s Statement and Portfolio Manager’s Report, the Company outperformed the FTSE All-Share Index on both a NAV and share price basis.

### Premium/discount to NAV

The Board monitors the premium/discount at which the Company’s shares trade in relation to the NAV per share. During the year the shares traded at an average discount to NAV of 0.5%. This compares with an average discount of 6.8% in the previous year. As set out in the Chair’s Statement on page 7, during the year the Board closely monitored both the discount and the premium and utilised share buybacks and also share issuance when it was considered appropriate to do so. The Board and Portfolio Manager closely monitor both movements in the Company’s share price and significant dealings in the shares. In order to avoid substantial overhangs or shortages of shares in the market the Board asks shareholders to approve resolutions which allow for both the buy back of shares and their issuance, which can assist in the management of the discount or premium.

### Dividends per Share

It remains the Directors’ intention to distribute, over time, by way of four quarterly dividends, substantially all of the Company’s net revenue income after expenses and taxation. Further, an additional 3.0p per share per annum (0.75p per share per quarter) is currently paid using the Company’s capital reserves.

The Portfolio Manager aims to maximise total returns from the portfolio. The Company has paid dividends totalling 15.0p per ordinary share for the year ended 31 December 2025 (2024: 11.25p), representing a dividend yield of 4.0% at the year-end (2024: 4.1%). The Board hopes to continue sustainable dividend growth over the coming years supported by the use of the Company’s capital reserves. Further information can be found in the Chair’s Statement beginning on page 7.

### Ongoing Charges

Ongoing charges is an expression of the Company’s management fees and other operating expenses as a percentage of average daily net assets over the year. The ongoing charges for the year ended 31 December 2025 were 0.59% (2024: 0.61%). The Board reviews the Company’s ongoing charges on a regular basis. The level of the Company’s ongoing charges has fallen slightly during the period, and continues to compare favourably with peers in the UK Equity Income sector of investment trust companies.

## Overview of Strategy continued

<b>Ten-Year Summary</b>										
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020<sup>^</sup></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Total Returns										
NAV with debt at fair value <sup>3</sup>	20.6%	10.2%	(11.3%)	27.9%	(28.0%)	24.6%	0.9%	12.3%	19.9%	33.9%
Share Price <sup>3</sup>	20.7%	11.0%	(9.7%)	34.3%	(31.5%)	20.0%	3.6%	12.5%	19.1%	45.3%
FTSE All-Share Index <sup>3</sup>	16.8%	13.1%	(9.5%)	19.2%	(9.8%)	18.3%	0.3%	7.9%	9.5%	24.0%
NAV per share* (p)	236.2	280.0	239.9	294.6	202.0	241.7	228.5	248.0	286.2	369.1
NAV per share with debt at fair value* (p)	259.6	277.4	238.1	292.5	199.2	240.4	233.5	252.2	291.1	373.4
Share Price* (p)	244.6	262.8	229.2	295.2	191.0	221.6	220.5	238.0	272.0	378.5
Premium/ (Discount) <sup>2</sup>	(5.8%)	(5.3%)	(3.7%)	0.9%	(4.1%)	(7.8%)	(5.6%)	(5.6%)	(6.6%)	1.4%
Dividends per share* (p)	8.09	8.49	9.34	10.28	7.70	7.90	9.35	9.60	11.25	15.00
Dividend Yield <sup>1</sup>	3.3%	3.2%	4.1%	3.5%	4.0%	3.6%	4.2%	4.0%	4.1%	4.0%
Ongoing Charges	0.51%	0.49%	0.47%	0.49%	0.50%	0.48%	0.54%	0.56%	0.61%	0.59%

\* Comparative periods have been restated for the sub-division of each ordinary share into 5 new ordinary shares, approved at the AGM held on 10 May 2022 and completed on 13 May 2022.

<sup>^</sup> Redwheel was appointed as Portfolio Manager on 30 October 2020.

<sup>1</sup> Calculated as dividends per share divided by the year-end share price.

<sup>2</sup> Premium / (Discount) of share price to NAV per share with debt at fair value.

<sup>3</sup> Source: Frostrow for Company returns, Redwheel for FTSE All-Share returns.



## Principal and Emerging Risks

The Board has overall responsibility for reviewing the effectiveness of the system of risk management and internal control which is operated by the Portfolio Manager and the Company's other service providers. The Company's ongoing risk management process is designed to identify, evaluate and mitigate the significant risks that the Company faces. A 'heat map' system is used, allowing a visual assessment of the different risks identified and adjustment of the inputs based on changing internal and external factors.

The Board undertakes a semi-annual risk review with the assistance of the Audit and Risk Committee, to assess the adequacy and effectiveness of the Portfolio Manager and other service providers' risk management and internal control processes.

The Board has carried out a robust assessment of its principal and emerging risks during the period under review, including those that would threaten its business model, future performance, solvency or liquidity.

The principal and emerging risks and uncertainties faced by the Company are set out overleaf. The risks arising from the Company's financial instruments are set out in note 20 to the Financial Statements (beginning on page 91).



## Risk

## Mitigation and Management

### Market Risk

By the nature of its activities and Investment Objective, the Company's portfolio is exposed to fluctuations in market prices (from both individual security prices and foreign exchange rates). As such investors should be aware that by investing in the Company they are exposing themselves to market risks.

The Company also uses gearing, via the private placement loans issued, the effect of which is to amplify the gains or losses the Company experiences.

To manage these risks the Board and the AIFM have appointed Redwheel to manage the portfolio within the remit of the investment objective and policy, and imposed various limits and guidelines, set out on page 34. These limits ensure that the portfolio is diversified, reducing the risks associated with individual stocks. The compliance with those limits and guidelines is monitored daily by Frostrow and Redwheel and reported to the Board weekly.

In addition, Redwheel reports at each Board meeting on the performance of the Company's portfolio, including the rationale for investment decisions, the make-up of the portfolio and the investment strategy.

As part of its review of the viability of the Company, the Board also considers the sensitivity of the Company to changes in market prices and foreign exchange rates (see note 20 beginning on page 91), how the portfolio would perform during a market crisis, and the ability of the Company to liquidate its portfolio if the need arose. Further details are included in the Going Concern and Viability Statements on page 42.

### Geopolitical and Macro Risks

As recent years have demonstrated, global events, including unforeseen events, can have a dramatic effect on both financial markets and everyday life. The Company is at risk from both the financial impacts of such events, as well as possible disruption to the day-to-day activities of its service providers and portfolio companies. Ongoing geopolitical tensions around the world while not currently directly affecting the Company may have an impact on its investments.

While global events are outside the control of the Company the Board reviews regularly, and discusses with the Portfolio Manager, the wider economic and political environment, along with the portfolio exposure and the execution of the investment policy against the long-term objectives of the Company. The Portfolio Manager performs risk analysis, including country and industry specific monitoring, on an ongoing basis.

### Climate Risks

While the Company itself faces limited direct risk from climate change, the board is cognisant of the potential impact on portfolio companies and their operations. Significant changes in climate, or indeed Government measures taken to combat climate change, could present a material risk to the value of the portfolio.

The Board regularly reviews global environmental, geopolitical and economic developments with the Portfolio Manager, along with the implications of these risks and events on portfolio construction and the Company's operations. ESG considerations are incorporated into the investment process of Redwheel, as part of the drive to invest in companies with long-term viability. The Portfolio Manager also uses its voting powers to engage with and influence investee companies towards taking positive steps against climate change and other environmental impacts.

## Risk

## Mitigation and Management

### Shareholder Relations and Share Price Performance Risk

The Company is exposed to the risk, particularly if the investment strategy and approach are unsuccessful, that the Company may underperform resulting in the Company becoming unattractive to investors, a widening of the share price discount to NAV per share and the Company may become vulnerable to activist shareholders.

In managing this risk the Board:

- reviews the Company’s investment strategy and objective in relation to market and economic conditions, and the operation of the Company’s peers;
- discusses at each Board meeting the Company’s future development and strategy;
- reviews the shareholder register at each Board meeting; and,
- actively seeks to promote the Company to current and potential investors.

In addition the Company’s share price and premium or discount to NAV are monitored by the Portfolio Manager and the Board on a regular basis. The Directors attach considerable importance to the level of premium or discount to NAV at which the shares trade, both in absolute terms and relative to the rating at which the UK Equity Income sector of investment trusts is trading, and will take action where levels are deemed to be excessive. The Directors are prepared to be proactive in premium/ discount management to minimise potential disadvantages to shareholders, which continued to be demonstrated during 2025.

### Loss of Investment Team or Portfolio Manager

A sudden departure of the members of the portfolio management team could result in a short-term deterioration in investment performance.

The investments of the Company are managed by a team of two managers, Ian Lance and Nick Purves. The Portfolio Manager takes steps to reduce the likelihood of such an event by aligning the interests of the investment team with the wider organisation, as well as providing a high degree of autonomy with no overarching chief investment officer or investment committee. Furthermore, the AIFM, in consultation with the Board, may terminate the Portfolio Management Agreement should Ian Lance and Nick Purves cease to be able to perform their duties or cease to be associated with the Portfolio Manager and not be replaced by people with relevant experience.

### Income Risk – Dividend

Risk that the portfolio does not generate the necessary level of income, over time, from which to maintain progressive dividend payments to shareholders.

The Board monitors this risk through the review of detailed income reports and forecasts which are considered at each meeting, with input from the Portfolio Manager. As at 31 December 2025 the Company had distributable revenue reserves of £14.3 million. Furthermore, income risk is mitigated by the Company’s ability to distribute realised capital gains if required to meet any revenue shortfall. With the level of income paid and forecast by investee companies continuing to increase across the year, the Company has been able to raise its dividend.

## Risk

## Mitigation and Management

### Cyber Security

The Company has limited direct exposure to cyber risk. However, the Company's operations or reputation could be affected if any of its service providers suffered a major cyber security breach. A state-backed cyberattack could also result in widespread disruption across the financial services industry.

The Audit and Risk Committee receives control reports, including disaster recovery procedures and business continuity plans, and confirmation from its service providers regarding the measures that they take in this regard. The cyber security policies of all service providers have also been reviewed by the Board. The Board has considered the increased risk of cyber-attacks and received reports and assurance from the Company's service providers regarding the information security controls in place. For more widespread disruption, such as a state-backed cyberattack, limited mitigation is possible, however, all service providers remain vigilant given the increased likelihood of such an event in the current climate.

### Service Provider Risk

The Company is reliant on the systems of its service providers and as such disruption to, or a failure of, those systems (including, for example, as a result of cyber-crime or a 'black swan' event) could lead to a failure to comply with law and regulations leading to reputational damage and/or a financial loss.

To manage these risks the Board, via its Management Engagement Committee and Audit and Risk Committee:

- receives reports from Frostrow at each Board meeting, which includes, *inter alia*, details of compliance with applicable laws and regulations;
- reviews internal control reports, key policies, including measures taken to combat cyber security issues, and also the disaster recovery procedures of its service providers;
- maintains a risk matrix with details of risks the Company is exposed to and the controls/mitigation in relation to those risks;
- receives updates on pending changes to the regulatory and legal environment and progress towards the Company's compliance with these; and
- has considered the increased risk of cyber attacks and received reports and assurance at meetings with its service providers that appropriate information security controls are in place.

In addition to its ongoing monitoring of the investment portfolio and transactions, the AIFM carries out a formal due diligence exercise on the Portfolio Manager annually, ensuring that the appropriate controls, processes and resourcing are in place to manage the portfolio within the stated investment policies and guidelines.

### Emerging Risks

The Board has in place a robust process to identify, assess and monitor the principal risks and uncertainties and also to identify and evaluate newly emerging risks. The Board, through the Audit and Risk Committee, regularly reviews all risks to the Company, including emerging risks, which are identified by a variety of means, including advice from the Company's professional advisors, the Association of Investment Companies (the "AIC"), and Directors' knowledge of markets, changes and events. During the year, the Board identified the use of artificial intelligence ("AI") as a new risk. As well as offering investment opportunities, the development and exploitation of technological breakthroughs, including AI, may challenge and damage the addressable market, revenue and operations of portfolio companies to the extent that they no longer offer the promise of returns consistent with the Company's investment objective.

### Going Concern

The Directors have reviewed the going concern basis of accounting for the Company. The Company's assets consist substantially of equity shares in listed companies and in most circumstances are realisable within a short timescale. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for 12 months from the date of the approval of these Financial Statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the accounts. See note 1 beginning on page 81 for further detail.

### Viability Statement

The Board makes an assessment of the longer-term prospects of the Company beyond the timeframe envisaged under the going concern basis of accounting, having regard to the Company's current position and the principal and emerging risks and uncertainties it faces. The AIFM and Portfolio Manager have assisted the Board in making this assessment via financial modelling and income forecasting, which demonstrates the financial viability of the Company. Stress-testing scenarios, such as an extreme drop in equity markets, have also been carried out and the projected financial position remains strong and all payment obligations achievable.

The stress-testing scenarios used to assess future viability incorporate a number of inputs. The financial structure of the Company is stable, with known payment obligations that can be modelled for future years with a low likelihood of any changes. Revenue expectations are modelled by the Portfolio Manager and the AIFM for future years with decreasing levels of certainty over time, based on the financial position and performance of investee companies. This is combined with an expectation of the rate of dividend payments to be made by the Company over the coming years to give an overall financial projection in normal market conditions.

To stress-test this projection, scenarios are then modelled for a 20% and 50% fall in both investee company valuations and the level of dividend payments they make. In both cases, because the Company has both the ability to control its own dividend payments and a liquid portfolio of investments, the impact to reserves could be managed and the Company would remain viable during such periods.

The Company is a long-term investment vehicle and the Directors, therefore, believe that it is appropriate to assess its viability over a long-term horizon. For the purposes of assessing the Company's prospects in accordance with the AIC Code of Corporate Governance (the "AIC Code"), the Board considers that assessing the Company's prospects over a period of five years is appropriate given the nature of the Company and the inherent uncertainties over a longer time period.

The Directors believe that a five-year period appropriately reflects the long-term strategy of the Company and over which, in the absence of any adverse change to the regulatory environment and the tax treatment afforded to UK investment trusts, they do not expect there to be any significant change to the current principal and emerging risks and to the adequacy of the mitigating controls in place.

In assessing the viability of the Company, the Directors have conducted a thorough assessment of each of the Company's principal and emerging risks and uncertainties set out on pages 39 to 41. Particular scrutiny was given to the impact of a significant fall in equity markets on the value of the Company's investment portfolio.

The Directors have also considered the Company's leverage and liquidity in the context of its long-dated fixed-rate borrowings (see notes 8 and 15 for further details on the borrowings), its income and expenditure projections and the fact that the Company's investments comprise mainly readily realisable quoted securities which can be sold to meet funding requirements if necessary.

All of the key operations required by the Company are outsourced to third-party providers and alternative providers could be secured at relatively short notice if necessary.

Having taken into account the Company's current position and the potential impact of its principal and emerging risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of five years from the date of this Annual Report.

### Modern Slavery Act

Due to the nature of the Company's operational model and the fact that it generates no turnover, the Board is satisfied that the Company is not subject to the UK's Modern Slavery Act 2015. The Company does not therefore make a modern slavery and human trafficking statement. The Board however appreciates the significance of Modern Slavery as an issue but considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to represent a low risk of exposure to modern slavery.

In relation to the Company's investments, the Board has noted that the Portfolio Manager has since 2023 signed a letter that is sent to FTSE 350 companies considered at that time not to be in compliance with the requirements of the UK Modern Slavery Act 2015. The Portfolio Manager intends to do so again in 2026. This initiative, coordinated by Rathbones, was awarded the Stewardship Initiative of the Year award in 2022 by the UN Principles for Responsible Investment. Infractions tend to be of a technical nature, such as not having a Modern Slavery Statement available on websites, or not evidencing that such Statements have approval from the board of the relevant organisation. In 2025, the Portfolio Manager engaged with investee companies to highlight where corrections were required to achieve compliance and worked with Rathbones to monitor responses.

Within its investment process, Redwheel principally assesses the risk of modern slavery exposure through reference to the Corporate Human Rights Benchmark (which scores companies on governance and policies; remedies and grievance mechanisms; and embedding respect and human rights due diligence) and through company compliance with the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises.

The Portfolio Manager also uses Sustainalytics data to monitor breaches in global norms and controversies including employee incidents. The Materiality Map developed originally by the Sustainability Accounting Standards Board helps improve understanding of the sectors in which companies are most at risk of exposure to labour and modern slavery issues.

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### Gender Diversity

At the year-end, there were two male and three female Directors on the Board. The Company has no employees and therefore there is nothing further to report in respect of gender representation within the Company.

The Company's policy on diversity is detailed in the Corporate Governance Statement on page 57.

### Bribery Act

The Company has a zero-tolerance policy towards bribery and is committed to carrying out business fairly, honestly and openly. The Portfolio Manager also adopts a zero-tolerance approach and has policies and procedures in place to prevent bribery.

### Criminal Finances Act 2017

The Company has a commitment to zero tolerance towards the criminal facilitation of tax evasion.

### Stewardship/Engagement

The Board requires the Portfolio Manager to adopt an active stewardship role, including the effective exercising of shareholders' ownership rights. It believes that this is central to the achievement of its aim to preserve and grow the long-term real purchasing power of the assets entrusted to it by shareholders.

The Portfolio Manager thus monitors, evaluates and if necessary, actively engages or withdraws from investments with the aim of preserving or adding value to the portfolio. It became a signatory to the UN Principles for Responsible Investment in 2020, had been a signatory to the UK Stewardship Code 2012, and in 2025 was again endorsed as a signatory to the UK Stewardship Code 2020.

Both the Board and the Portfolio Manager firmly believe that environmental, social and governance issues can have a material financial impact on the value of a company along with its social licence to operate, and therefore on the value of its investors' capital. It is thus important for a long-term responsible investor to integrate these issues into the investment process.

The Portfolio Manager believes that its stewardship role is wholly consistent with supporting companies to grow in a sustainable way, for executive teams and board members to run their companies for the long term and for the benefit of all stakeholders. Moreover, it believes that, considered over the long term, shareholder capital is put at greatest risk where companies are not run in a sustainable manner, whether from lack of prudence on financial strength or from recklessness in the pursuit of growth at the expense of the environment and relations with business stakeholders. Conversely, companies that are run more prudently and which take into greater consideration the needs and expectations of stakeholders more broadly are believed to offer greater potential to be successful, resilient, and financially rewarding for shareholders.

Further detail on the Portfolio Manager's approach to stewardship is detailed within its Stewardship Policy<sup>1</sup>.

### Environment

As an investment trust which outsources all of its operations, there are no greenhouse gas emissions to report from the operations of the Company other than those of the service providers and limited home working by the Board. The Company does not have responsibility for any other emissions producing sources reportable under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Consequently, the Company consumed very little direct energy during the year and therefore is exempt from the disclosures required under the Streamlined Energy and Carbon Reporting criteria.

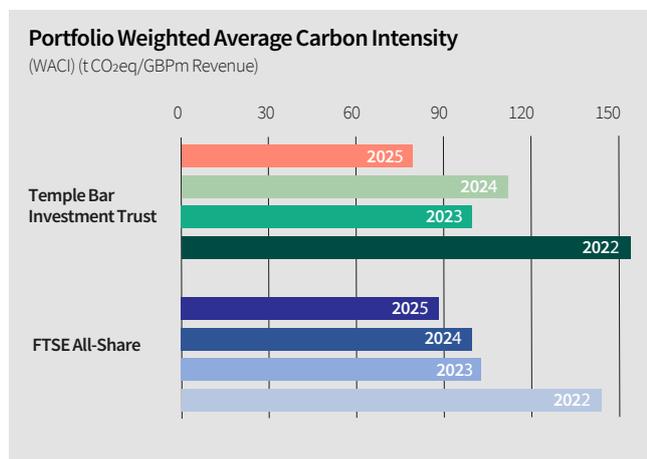
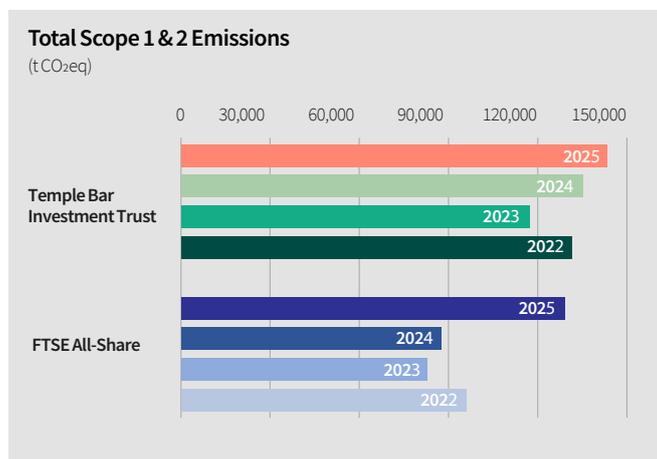
Environmental and climate considerations – both in a systemic sense and idiosyncratically – have become increasingly important for many in the investment industry and beyond over the past decade. Physical and transitional climate risks remain very much at the top of the list of factors considered to potentially have a material financial impact over the longer term. Attention is now also increasing in relation to the use and management by companies of natural resources, such as water, as well as biodiversity impacts arising in particular from pollution and waste management practices. The Portfolio Manager believes active engagement with portfolio companies is required to address these kinds of challenges. Divesting simply does not address the problem. Instead, by supporting companies as they transition over time to more sustainable business models, the Portfolio Manager believes that environmental impacts can be both reduced and mitigated.

Detail on the carbon characteristics of the Company is shown in the sections overleaf.

It is worth noting that in June 2024 the Portfolio Manager published its entity level report on how it manages climate related risks and opportunities in its investment portfolios and across its business operations in line with the recommendations of the Taskforce on Climate-Related Financial Disclosures. A product level report for the Company was made available on the Company's website from July 2025.

<sup>1</sup> [www.redwheel.com/uk/en/individual/resources](http://www.redwheel.com/uk/en/individual/resources)

## Carbon Emissions



Source: FTSE All-Share and Temple Bar Investment Trust data as at 31 December 2025. To ensure consistency and comparability of the emissions of underlying companies, the emissions data used represents emissions generated across financial year 2023. Data provided by Sustainalytics, as at 31 December 2025.

### Approach

When monitoring and reporting the carbon credentials of the Company, we use the metrics and methodologies recommended by the Taskforce on Climate-Related Financial Disclosures (“TCFD”). Analysis focuses on the emissions of companies that are considered to be either “Scope 1” or “Scope 2”. Scope 1 emissions are the emissions directly attributable to a company’s operations, whereas Scope 2 emissions are the emissions indirectly attributable to a company’s operations (e.g. relating to the power it consumes). Both are expressed in terms of tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq), the universal unit of measurement used to indicate the global warming potential of greenhouse gases, definition and methodology by Greenhouse Gas Protocol.

The integration into the analysis of corporate “Scope 3” emissions remains an aspiration as there are issues relating to data quality and the double-counting of emissions within methodologies which continue to hamper expansion of the analysis.

### Total Scope 1 & 2 Emissions

The chart above provides representations of the absolute greenhouse gas emissions (GHG) attributable both to the Company, and also to a notional investment of equal value in a basket of companies comprising FTSE All-Share.

An equity ownership approach is used to allocate both Scope 1 and Scope 2 emissions to investments. Under this approach, if an investor holds shares equal in value to 5% of a company’s total market capitalisation, then the investor is considered to own 5% of the Company; accordingly, it is considered to be liable for 5% of the Company’s GHG (or carbon) emissions.

The Company exhibits a lower value for its Scope 1 (-4.5%) but a higher Scope 2 emissions (+40%) compared to last year. The benchmark in contrast has reported 22.6% and 15.3% lower scope 1 and lower scope 2 respectively.

These metrics are presented on an absolute basis; as the value of the Company increases, we would expect the overall emissions attributable to the Company to increase. The respective values for the Company and FTSE All-Share, normalised by the value of the Company, which in essence is the carbon footprint metric, are 130.23 and 88.22 tCO<sub>2</sub>eq/GBPm, respectively. The Company’s carbon footprint is 48% higher as it is more exposed to high intensive carbon industries than the index.

### Weighted Average Carbon Intensity (“WACI”):

This chart shows the asset-weighted emissions intensity both of the Company, and also of an investment of equal value in a basket of companies comprising FTSE All-Share.

Emissions intensity as a metric reflects the value of a company’s Scope 1 and Scope 2 carbon emissions (tCO<sub>2</sub>eq), normalised by revenues derived (here, using GBP millions), over a particular period in line with the carbon reporting one.

The weighted average carbon intensity of the Company is 10% lower than FTSE All-Share.

### Observations

As compared to FTSE All-Share, the Company has a higher allocation to the Oil & Gas (Fund: 12%; benchmark: 8%) and the Automobiles (+3%) sectors. At the same time, the Company’s allocation to the Materials and Utilities sectors is roughly the same as FTSE All-Share. These are sectors responsible for a significant amount of carbon emissions and the previous figures and charts above demonstrate this.

That said, it is important to note that the Company has 94% reported emissions and 6% estimated. This compares to 97% reported for the benchmark and 3% estimated.

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## Social

The Portfolio Manager continues to believe that the financial impact from social issues can be substantial.

Companies treating their employees, customers or suppliers inappropriately store up future problems for the business in terms of human capital (lower productivity, disruption to production, staff turnover), brand value (dissatisfied customers, litigation) and reputation (supply-chain issues, health and safety). Local communities are also important to consider, particularly in extractive industries.

Cyber security is a notable risk for many companies, particularly for those holding customer information, sensitive sectors such as banks or utilities or where intellectual property is the basis of the value of a company.

The Portfolio Manager researches and monitors social risks, reviewing issues for focus based on the Company's composition. Exposure to conflict regions is monitored for a risk of human rights abuses. Where there is potential exposure the Portfolio Manager will monitor news flow and speak with the investee companies to evaluate the risk. It may also speak to a company's wider stakeholders in order to seek a more holistic assessment of specific situations. An example of engagement on social issues can be found in the engagement section beginning on page 27.

## Governance

The consideration of companies' approaches to governance has been at the heart of the Portfolio Manager's process since inception. Governance describes the controls and oversight processes in place to manage operational risks (including environmental and social risks); it also sets the basis for the culture of a firm. The Portfolio Manager seeks investee companies whose management runs the business as owners, and thinks long term about customers, employees, suppliers, and community. Such an approach is believed ultimately to benefit shareholders.

The Portfolio Manager believes in the importance of investee companies possessing a strong board, with non-executive directors possessing the requisite skills, experience and independence to counter the impact of a powerful or dominant chief executive officer. Diversity can support this aim and helps to counter 'group think' and incorporate better the views of wider stakeholders. Remuneration is an area of controversy, with management pay ratcheting higher, often without consequence for failure or poor performance. Compensation packages must be tied to long-term drivers of sustainable value, rather than a function of financial engineering. The timeframe for executive evaluations should be extended and there should also be a downside risk by requiring management to put significant 'skin in the game'.

If companies behave responsibly and act sustainably there are benefits for society in terms of economic prosperity, political stability, and trust in free markets. This in turn drives further benefits for the companies themselves. The Portfolio Manager therefore believes it makes sense to integrate into the investment process the consideration of a company's performance in addressing sustainability issues, even if the advantages of doing so take time to emerge.

## Remuneration

The Portfolio Manager believes that governance within UK companies is generally of a very high standard. This reflects the UK Corporate Governance Code and the long history of efforts to raise standards. Whilst there are many individual aspects of corporate governance that the Portfolio Manager considers, remuneration – the design and implementation in practice of pay structures to reward and incentivise behaviours that help the Company execute against its strategy – remains one of the most important.

The Portfolio Manager's view is that the basis of a good corporate remuneration policy is a well-constituted remuneration committee. This requires both the independence of the committee members and relevant experience in the field of remuneration. A committee must guard against the ratcheting upward of compensation awards, balancing this with attracting and retaining talent.

The Portfolio Manager encourages companies to set remuneration metrics that align with the overall strategy, reflecting appropriate financial incentives, in combination with non-financial metrics relating to environment and social issues. Environmental metrics should be calibrated to help address specific operational challenges, while on social issues relations with employees, customers, suppliers and the community should be reflected as appropriate.

Remuneration is a complex area and challenging to find the right balance between the various objectives and agendas. Shareholders will invariably give conflicting feedback to remuneration committees. Where the Portfolio Manager can have significant influence, they will engage with companies in the construction of the remuneration policy. Where they feel their shareholding in a given company is too low to ensure a constructive basis for engagement, they will share their own remuneration expectations document which sets out for companies what the Portfolio Manager expects to see.

The Portfolio Manager in conjunction with the Board will continue to develop the overall approach and push for higher standards, ensuring that they collectively protect shareholder interests and promote long-termism, set in the context of sustainability for all stakeholders.

## Engagement Policy

Engagement is central to the Portfolio Manager's process. Communicating with investee companies on areas of concern is a key aspect of the Portfolio Manager's approach. Having a long-term investment horizon and concentrated portfolio allows the Portfolio Manager to build meaningful relationships.

The engagement process is led and carried out by the Portfolio Manager, consistent with the Redwheel Stewardship Policy. The specifics of each process will be determined by the size of the exposure within the portfolio and the materiality of the identified risk, amongst other factors. The Portfolio Manager will draw from its own experience in assessing materiality risks as well as both the Company's own materiality assessment and independent assessments on a sector basis, such as the Materiality Map developed originally by the Sustainability Accounting Standards Board.

The method of engagement will depend on the engagement objectives. For example, where the Portfolio Manager holds a position in an investee company and is materially at odds with the Company's strategic direction or specific actions, it will usually set out its concerns in a letter to the Company and follow up with a meeting. In some instances, the Portfolio Manager will go further and set out a detailed analysis of the business or sector, with proposed alterations to strategy, and discuss this analysis with management.

The Portfolio Manager will engage with the chair of an investee company, particularly at times of management change or in relation to long-term questions on strategic direction. It may also engage with the investee company's senior independent director should it have concerns about the chair or about board effectiveness. Other engagements may take place in response to a request from the investee company themselves, such as engagements with the chair of the remuneration committee to discuss incentive structures and policies. Engaging in collaboration with other shareholders, and casting votes against management at a company's AGM provide further means to escalate concerns when direct bilateral engagement fails. As regards remuneration, the Portfolio Manager aligns its approach to reflect the guidance provided by the Pensions and Lifetime Savings Association and The Investment Association, as updated from time to time.

The evaluation of the outcome of the Portfolio Manager's engagements will depend on the type of engagement and the extent to which the original objective can be considered to have been achieved.

Where the Portfolio Manager looks for specific actions, it will assess the outcome on whether management or the board engaged and subsequently chose to act on the suggestions made. On other issues, the evaluation of the engagement may be more qualitative and not as transparent. The Portfolio Manager tries to be very open about the nature of its engagements and the outcomes of them.

Case studies of the Portfolio Manager's engagement with investee companies during the year are provided on pages 24 to 27 and are just some of the numerous calls, meetings and written correspondence that the Portfolio Manager had with companies to discuss a variety of sustainability and ESG-related issues.

### **Externalities and Non-Environmental Issues**

In addition to adopting a stewardship approach to investment and integrating sustainability and ESG considerations into its investment approach, the Board asks the Portfolio Manager to consider systemic externalities when assessing a company's suitability for inclusion in the portfolio. Systemic externalities are costs, usually considered as costs to society or the environment, which are not captured by market pricing. In particular, there are some areas where companies operating legally and ethically may, through their joint actions (whether or not coordinated), inadvertently contribute to the delivery of unintended consequences for people and planet, particularly in relation to climate change, global financial fragility, artificial intelligence, and antimicrobial resistance.

These are areas where the Board believes that engagement with investee companies, in conjunction with other asset owners, is of particular importance in order to raise awareness amongst companies of the need for market-based responses. The Portfolio Manager reports regularly to the Board with regard to its engagement with portfolio companies in relation to such issues.

### **Future Developments**

The future development of the Company is dependent on the success of its investment strategy in the light of economic and equity market developments. The outlook is discussed in the Chair's Statement on page 9 and the Portfolio Manager's Report on pages 17 to 20.

Strategic Report  
On behalf of the Board

**Charles Cade**  
Chair

19 March 2026



# Governance Report

## Board of Directors



**Charles Cade**

**Chair of the Company and member of the Audit and Risk, Management Engagement and Nomination Committees**

Charles was appointed a Director in 2022 and became the Chair of the Company on 2 December 2025. He has more than 30 years' experience in the investment companies sector, and was ranked among the leading analysts throughout his career at Numis Securities, Winterflood Securities, HSBC and Merrill Lynch. He joined the City following an MBA, having previously worked for a consultancy firm and as an economist in the UK government. He is currently the Senior Independent Director and Interim Chair of Vietnam Enterprise Investments Ltd, a member of the Investment Committee of the Rank Foundation charity, and an independent consultant to interactive investor, the retail platform.



**Dr. Shefaly Yogendra**

**Senior Independent Director, Chair of the Nomination Committee, member of the Audit and Risk and Management Engagement Committees**

Shefaly was appointed a Director in 2019. She built her career in the technology industry, followed by strategic advisory work on emerging technologies, and specialises in governance, growth, risk, and decision making. She is a non-executive director of JP Morgan US Smaller Companies Investment Trust PLC and was formerly a non-executive director of Witan Investment Trust plc. She was listed among the "100 Women To Watch" in the Female FTSE Board Report 2016.



## Carolyn Sims

### **Chair of the Audit and Risk Committee, member of the Management Engagement and Nomination Committees**

Carolyn was appointed a Director in 2023. She is the CFO of British International Investment plc (BII), the UK's Development Finance Institution. Before joining BII in 2020, Carolyn was CFO of the Wealth Management Division of Schroders plc and a member of its Group Management Committee. Prior to that, Carolyn was the CFO of Cazenove Capital Management Limited until its sale to Schroders in 2013. Carolyn started her career with Touche Ross & Co. where she qualified as a Chartered Accountant. She then joined Lazard where her roles included COO for Global Capital Markets and UK Finance Director.



## Nick Bannerman

### **Member of the Audit and Risk, Management Engagement and Nomination Committees**

Nick joined the Board on 1 July 2025. A Chartered Accountant, he is a non-executive Director of JP Morgan China Growth & Income Trust plc and of The Global Smaller Companies Trust plc, where he also acts as Chair of the Audit Committee. He was formerly Chair of Baillie Gifford Japan Trust plc and Chair of its Audit Committee. Nick was the Managing Director of luxury Scottish Cashmere businesses for over 20 years, supplying major couture brands worldwide.



## Wendy Colquhoun

### **Chair of the Management Engagement Committee and a member of the Audit and Risk and Nomination Committees**

Wendy joined the Board on 1 July 2025. She is a former senior corporate partner at international law firm CMS Cameron McKenna Nabarro Olswang LLP where she specialised in advising financial services companies including investment trusts. Ms Colquhoun is a non-executive Director and the Senior Independent Director of Capital Gearing Trust plc, a non-executive Director and the Senior Independent Director of Schroder UK Mid-Cap Fund plc and a non-executive Director and the Senior Independent Director of Murray International Trust plc. She was formerly a non-executive Director and Chair of Henderson Opportunities Trust plc and a non-executive Director of Scottish Financial Enterprise.

# Report of Directors

The Directors present the Annual Report & Financial Statements of the Company for the year ended 31 December 2025.

## Directors

The Directors of the Company who held office at 31 December 2025 and up to the date of the signing of the Annual Report are detailed on pages 48 and 49. Richard Wyatt served as Chair of the Company until his retirement on 2 December 2025. As at 31 December 2025, the Board of Directors of the Company comprised two male and three female Directors.

All Directors will retire and stand for election or re-election at the Company's AGM on 5 May 2026. The rules concerning the appointment and replacement of Directors are set out in the Company's Articles of Association. There are no agreements between the Company and its Directors concerning any compensation for their loss of office.

## Directors' indemnities

Subject to the provisions of the Companies Act 2006, the Company may indemnify any person who is a Director, secretary or other officer (other than an auditor) of the Company, against (a) any liability whether in connection with any negligence, default, breach of duty or breach of trust by them in relation to the Company or any associated company or (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office; and purchase and maintain insurance for any person who is a Director, secretary, or other officer (other than an auditor) of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, secretary or officer.

A policy of insurance against Directors' and Officers' liabilities is maintained by the Company.

## Ordinary Dividends

The interim dividends paid by the Company are set out in note 10 to the financial statements.

Subsequent to the year-end, the Board approved a fourth interim dividend for the year ended 31 December 2025 of 3.75p per ordinary share, which will be paid on 2 April 2026.

## Share Capital

At the AGM held on 6 May 2025, the Company was granted authority to allot ordinary shares in the Company up to an aggregate nominal amount of £1,423,021, being 10% of the total issued share capital at that date, amounting to 28,460,437 ordinary shares.

The Company was also granted authority to purchase up to 14.99% of the Company's ordinary share capital in issue at that date, amounting to 42,662,196 ordinary shares.

The Company bought back 791,246 shares of 5p each at a total cost of £2.2m during the year. This represented 0.3% of the total voting rights at 31 December 2025. The shares bought back are held in treasury. During the year, the Company also issued back 5,045,000 ordinary shares from treasury, raising £18.6m, representing 1.7% of the total voting rights at 31 December 2025.

At 31 December 2025, the Company had 334,363,825 ordinary shares in issue, 44,714,447 of which were held in treasury. The total voting rights of the Company at 31 December 2025 were 289,649,378.

Subsequent to the year-end and up to 18 March 2026, the Company re-issued 8,070,000 ordinary shares from treasury, raising £31.5m. At 18 March 2026, the Company had 334,363,825 ordinary shares in issue, 36,644,447 of which were held in treasury. The total voting rights at 18 March 2026 were 297,719,378.

Authorities given to the Directors at the 2025 AGM to allot shares, disapply statutory pre-emption rights and buy back shares will expire at the forthcoming AGM.

At general meetings of the Company, shareholders are entitled to one vote on a show of hands and on a poll, for every share held. The ordinary shares carry the right to receive dividends and have one vote per ordinary share. To the extent that they exist, revenue, profits and certain of the Company's capital reserves (including accumulated revenue and realised capital reserves) are available for distribution by way of dividends to holders of ordinary shares.

Upon a winding-up, after meeting the liabilities of the Company, the surplus assets would be distributed to the shareholders pro rata to their holding of ordinary shares. There are no restrictions on the transfer of securities in the Company or on the voting rights of each ordinary share. There are no special rights attached to any of the shares and no agreements between holders of shares regarding their transfer known to the Company and no agreements which the Company is party to that might affect its control following a takeover bid.

An amendment to the Company's Articles of Association and the giving of authority to issue or buy back the Company's shares requires an appropriate resolution to be passed by shareholders. Proposals for the renewal of the Board's current authorities to issue and buy back shares are set out in the Notice of AGM on pages 97 to 100. Any issuance of shares, whether new shares or the re-issuance of treasury shares, will only be made at prices greater than the prevailing cum income NAV per share (with debt at fair value).

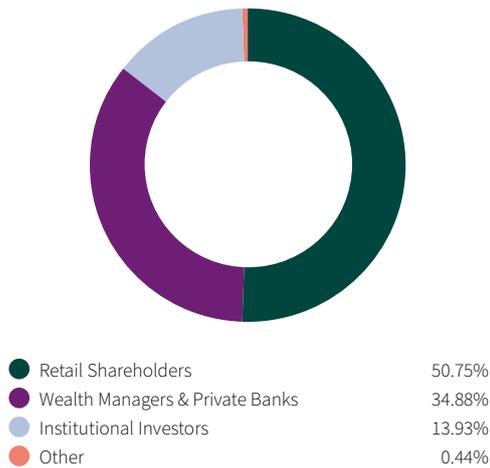
## Substantial Shareholders

As at 31 December 2025, the Company had been notified of the following substantial interest in the Company's voting right. There have not been any new holdings notified between the year end and the date of this report.

	Number of ordinary shares	Percentage of voting rights
Raymond James Wealth Management Limited	8,618,809	3.0

This table reflects those shareholders who have notified the Company of a substantial interest in its shares when they have crossed certain thresholds and may not reflect their current holding. The table does not reflect the full range of investors in the Company. The shareholder register is principally comprised of private wealth managers and retail investors owning their shares through a variety of online platforms.

**Profile of the Company's Ownership**  
**% of Shares Held at 31 December 2025**



**Management Arrangements**

Under the terms of the Portfolio Management Agreement, Redwheel is paid a management fee equal to 0.325% per annum of the Company's total assets. The Portfolio Management Agreement may be terminated on six months' notice. The Portfolio Management Agreement is also capable of termination in certain circumstances including in the event that both Nick Purves and Ian Lance cease to be responsible for the management of the Company's assets or otherwise become incapacitated.

Under the terms of the AIFM agreement, Frostrow Capital LLP ("Frostrow") are paid 0.125% of market capitalisation up to £250m and 0.1% of market capitalisation above £250m.

**Continued Appointment of the AIFM and Portfolio Manager**

The Board keeps the performance of the Portfolio Manager and the AIFM under continual review, and the Management Engagement Committee conducts an annual appraisal of their performance, and makes a recommendation to the Board about their continuing appointment.

It is the opinion of the Board that the continuing appointment of the Portfolio Manager, on the existing terms, is in the best interests of shareholders as a whole. The reasons for this view are that the Portfolio Manager has executed the investment strategy according to the Board's expectations and has produced positive returns relative to the broader market.

The Company appointed Frostrow as its AIFM with effect from 1 July 2023. Frostrow is also responsible for the Company's marketing and distribution strategy. It is the Directors' opinion that the continuing appointment of Frostrow as AIFM is also in the best interests of the Company and its shareholders as a whole.

**Requirements of the UK Listing Rules**

UK Listing Rule 6.6.6 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures to be made in this regard.

**Streamlined Energy and Carbon Reporting**

The Company's approach to ESG is set out on page 22.

**Stakeholder Engagement**

While the Company has no employees, or customers, the Directors give regular consideration to the need to foster the Company's business relationships with its stakeholders. The effect of this consideration upon the principal decisions taken by the Company during the financial year is set out in further detail in the Strategic Report on page 33.

**Financial Risk Management**

Information about the Company's financial risk management objectives and policies is set out in note 20 to the Financial Statements.

**Disclosure of Information to the Auditor**

The Directors who held office at the date of the approval of the Annual Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all reasonable steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

**Post Balance Sheet Events**

Post balance sheet events are disclosed in note 21 on page 95 to the financial statements.

**Future Developments**

Details on the outlook of the Company are set out in the Chair's Statement on page 9 and the Portfolio Manager's Report on pages 17 to 20.

**Annual General Meeting ("AGM")**

The Notice of the AGM of the Company to be held on 5 May 2026 is on pages 97 to 100. In particular, resolutions regarding the following items of business will also be proposed.

**Dividend Policy**

Resolution 11 set out in the Notice of AGM is for shareholders to approve the Company's dividend policy which authorises Directors of the Company to declare and pay all dividends of the Company as interim dividends, and for the last dividend referable to a financial year to not be categorised as a final dividend.

As set out in the Chair's Statement on pages 7 to 9, it is confirmed that the dividend policy continues the enhancement of the Company's quarterly interim dividends by the distribution of 3.0p per share per annum to be sourced from the Company's distributable capital reserves.

**Authority to Allot Shares**

Resolutions 12 and 13 set out in the Notice of AGM are ordinary resolutions and will, if both are passed, authorise the Directors to allot up to a total of 59,543,874 ordinary shares with a nominal value of £2,977,194 or a total of 20% of the Company's ordinary shares in issue at the date at which these resolutions are passed. This will replace the current authority granted to the Directors at the last AGM. These authorities will expire at the AGM to be held in 2027 when resolutions to renew the authority will be proposed.

The Directors intend to use the authorities whenever they believe they would be in the best interests of shareholders to do so. Any such issuances would only be made at prices greater than the prevailing cum income NAV per share at the time of issue (with debt at fair value) and would therefore increase the assets underlying each share. The issue proceeds would be available for investment in line with the Company's investment policy.

### Authority to Disapply Pre-Emption Rights

When shares are to be allotted for cash, the Companies Act 2006 requires such new shares to be offered first to existing shareholders in proportion to their existing holdings of ordinary shares.

However, in certain circumstances, it is beneficial to allot shares for cash otherwise than by pro rata to existing shareholders and the ordinary shareholders can, by special resolution, waive their pre-emption rights.

Resolutions 15 and 16 set out in the Notice of AGM are special resolutions and will, if both are passed, authorise the Directors to allot up to a total of 59,543,874 ordinary shares with a nominal value of £2,977,194 or a total of 20% of the Company's ordinary shares in issue at the date at which these resolutions are passed, for cash on a non-pre-emptive basis. This will replace the current authority granted to the Directors at the last AGM. These authorities will expire at the AGM to be held in 2027 when resolutions to renew the authority will be proposed.

The Directors intend to use these authorities whenever they believe they would be in the best interests of shareholders to do so. Any such issuances (including the re-issuance of shares held in treasury) would only be made at prices greater than the prevailing cum income NAV per share (with debt at fair value) at the time of issue, and would therefore increase the assets underlying each share. The issue proceeds would be available for investment in line with the Company's investment policy.

No issuances of shares will be made which would alter the control of the Company without the prior approval of shareholders in general meeting.

### Authority to Purchase the Company's Own Shares

The Directors consider it desirable to give the Company the opportunity to buy back shares in circumstances where the shares may be bought for a price which is below the NAV per share of the Company. The purchase of ordinary shares is intended to reduce the discount at which ordinary shares trade in the market through the Company becoming a source of demand for such shares, as well as being accretive to the NAV per share. During the year, the Company continued to buy back shares for this purpose with the shares being held in treasury.

Resolution 17 set out in the Notice of AGM is a special resolution and will, if passed, authorise the Directors to buy back up to 14.99% of the Company's shares in issue at the date at which the resolution is passed. This will replace the current authority granted to the Directors at the last AGM. This authority will expire at the AGM to be held in 2027 when a resolution to renew the authority will be proposed. 791,246 shares were bought back under this authority during the year. The maximum price (exclusive of expenses) which may be paid by the Company in relation to any such purchase is the higher of:

- i) 5% above the average of the mid-market value of shares for the five business days before the day of purchase; or
- ii) the higher of the price of the last independent trade and the highest current independent bid on the London Stock Exchange.

The minimum price which may be paid for an ordinary share is the nominal value of 5p each.

The decision as to whether to buy back any ordinary shares is at the discretion of the Board. Ordinary shares bought back in accordance with the authority granted to the Board will either be held in treasury or cancelled. Shares held in treasury may be re-issued from treasury but will only be re-issued at a price that is in excess of the Company's then prevailing cum income NAV per share with debt at fair value. This authority will expire at the AGM to be held in 2027 when a resolution to renew the authority will be proposed.

### Directors' Fees

An ordinary resolution will be proposed at the AGM to increase the aggregate limit on the fees paid to the Directors from £250,000 pa to £350,000 pa. See page 61 for more information. This aggregate limit has not been increased since 2009.

### Notice Period for General Meetings

Under the Companies Act 2006, the notice period of general meetings (other than an AGM) is 21 clear days' notice unless the Company: (i) has gained shareholder approval for the holding of general meetings on a shorter notice period (subject to a minimum of 14 clear days' notice) by passing a special resolution at the most recent AGM; and (ii) offers the facility for all shareholders to vote by electronic means.

The Company would like the ability to call general meetings (other than an AGM) on less than 21 clear days' notice. The shorter notice period proposed by Resolution 18, a special resolution, would not be used as a matter of routine, but only where the flexibility is merited taking into account the business of the meeting and is thought to be in the interests of shareholders as a whole. The approval will be effective until the end of the AGM to be held in 2027, when it is intended that a similar resolution will be proposed.

### How to Vote

If you hold your shares directly you will have received a paper proxy form or voting instruction card. For this year's Annual General Meeting you should ensure that this is returned to the Registrar, Equiniti, before 10.30am on 30 April 2026. Alternatively, you can vote online at [www.shareview.co.uk](http://www.shareview.co.uk). Shareholders will require their Shareholder Reference Number, which can be found on the personalised proxy form or voting instruction card, to access this service. Before a proxy can be appointed, shareholders will be asked to agree to the terms and conditions for electronic proxy appointment. The use of the electronic proxy appointment service offered through Equiniti Limited, the Company's registrar, is entirely voluntary. If you hold your shares via an investment platform or a nominee, you should contact them to inquire about arrangements to vote.

### Recommendation

The Board considers the resolutions to be proposed at the AGM to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders should vote in favour of the resolutions to be proposed at the AGM, as they intend to do so in respect of their own beneficial holdings.

The Corporate Governance Statement and reports from the Committees form part of the Report of Directors.

On behalf of the Board

**Charles Cade**  
Chair

19 March 2026



# Corporate Governance Statement

Corporate governance is the process by which the board of directors of a company protects shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance.

## Compliance with the AIC Code of Corporate Governance (the "AIC Code")

The Board considers the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining high standards of financial reporting, transparency and business integrity.

As Temple Bar is a UK-listed company, the Board's principal governance reporting obligation is in relation to the UK Code of Corporate Governance (the "UK Code") issued by the Financial Reporting Council (the "FRC"). However, it is recognised that investment companies have special circumstances which have an impact on their governance arrangements. An investment company typically has no employees and as such the day-to-day functions of the Company are outsourced to third parties. The AIC has therefore drawn up its own set of guidelines known as the AIC Code, last updated in January 2024, which recognises the nature of investment companies by focusing on matters such as board independence and the review of management and other third-party contracts. The FRC has endorsed the AIC Code and confirmed that companies which report against the AIC Code will meet their obligations in relation to the UK Code and Listing Rule 6.6.6. The Board has chosen to report against the AIC Code as it believes that its principles and recommendations will provide better information to shareholders than reporting against only the UK Code.

A copy of the AIC Code can be found at [www.theaic.co.uk](http://www.theaic.co.uk).

A copy of the UK Code can be obtained at [www.frc.org.uk](http://www.frc.org.uk). The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

The Board considers that these provisions are not relevant to the position of Temple Bar, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations such as an internal audit function. The Company has therefore not reported further in respect of these provisions.

## The Board of Directors

Under the leadership of the Chair, the Board is ultimately responsible for framing and executing the Company's strategy and for closely monitoring risks. The Directors are responsible for the determination of the Company's investment policy and investment strategy and have overall responsibility for the Company's activities, including the review of investment activity and performance and the control and supervision of the Portfolio Manager.

As at 31 December 2025, the Board consisted of five non-executive Directors.

The Board seeks to ensure that it has an appropriate balance of skills and experience, and considers that, collectively, it has substantial recent and relevant experience of investment trusts and financial and public company management.

The terms and conditions of the appointment of the Directors are formalised in letters of appointment, copies of which are available for inspection from the Company's registered office. None of the Directors has a service contract with the Company nor has there been any other contractual arrangement between the Company and any Director at any time during the year. Directors are not entitled to compensation for loss of office.

The Directors have access to independent professional advice at the Company's expense if required. This is in addition to the access that every Director has to the advice and services of the Company Secretary, who is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

## Chair and Senior Independent Director ("SID")

The Chair, Charles Cade, is independent and the Board considers that he has sufficient time to commit to the Company's affairs. The Chair's other commitments are detailed in his biography on page 48.

There is a clear division of responsibility between the Chair, the Directors, the Portfolio Manager and the Company's other third-party service providers. The Chair is responsible for leading the Board, ensuring its effectiveness in all aspects of its role and is responsible for ensuring that all Directors receive accurate, timely and clear information.

Shefaly Yogendra is the Company's SID. She acts as a sounding Board for the Chair, takes the lead in the annual evaluation of the Chair by the independent Directors, provides a channel for any shareholder concerns regarding the Chair and is available to meet with major shareholders as appropriate. In periods of stress, the SID works with the Chair, the other Directors, and/or shareholders to resolve any issues.

The documents setting out the roles of the Chair and SID are available on the Company's website.

## Board Operation

The Directors have adopted a formal schedule of matters specifically reserved for their approval. These include the following:

- approval of the Company's investment policy, long-term objectives and strategy;
- approval of annual and half-yearly reports and financial statements and accounting policies, prospectuses, circulars and other shareholder communications;
- raising new capital;
- approval of dividends;
- board appointments and removals;
- appointment and removal of the AIFM, Administrator and Company Secretary and Portfolio Manager; and
- approval of the Company's annual expenditure budget.

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At each Board meeting the Directors follow a formal agenda, which includes a review of investment performance, analysis of the peer group, marketing and financial information, together with briefing notes and papers in relation to changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

The Board meets regularly throughout the year and representatives of the AIFM and Portfolio Manager are in attendance, when appropriate, at each meeting. Prior to each Board and Committee meeting, Directors are provided with a comprehensive set of papers giving detailed information on the Company and all Directors have timely access to all relevant management, financial and regulatory information.

### **Committees**

The Board has established three committees to assist its operations: the Audit and Risk Committee, the Management Engagement Committee and the Nomination Committee. Given the size and nature of the Board it is felt appropriate that all Directors are members of each Committee.

The need for a separate Remuneration Committee will be kept under review but, at present, given the size of the Board, the functions which a Remuneration Committee would be responsible for are overseen by the full Board.

### **Audit and Risk Committee**

The Audit and Risk Committee is chaired by Carolyn Sims. The Committee meets formally at least twice a year. The Board is satisfied that members of the Committee have relevant and recent financial experience to fulfil their role effectively and also have sufficient experience of the investment trust sector.

See page 49 for Carolyn's biographical details.

The Committee has direct access to the Company's Auditor and provides a forum through which the Auditor reports to the Board. Representatives of the Auditor are invited to attend the Committee meeting at which the annual accounts are considered and any other meetings that the Committee deems necessary.

Given the size and nature of the Board it is felt appropriate that all Directors are members of each Committee. The Directors therefore believe it is appropriate for Charles Cade, the Chair of the Board, to be a member of the Committee given his experience of the investment trust sector. The Committee is also of the view that his membership would not compromise his independence as Chair of the Board.

### Management Engagement Committee

The Management Engagement Committee comprises all Directors and was chaired by Shefaly Yogendra during the year. Wendy Colquhoun became Chair of the Committee on 2 December 2025. The Committee met once during the year to review the ongoing performance and the continuing appointment of all service providers of the Company, including the AIFM and the Portfolio Manager. The Committee also considers any variation to the terms of all service providers' agreements and reports its findings to the Board.

### Nomination Committee

A Nomination Committee comprising all Directors oversees a formal review procedure governing the appointment of new Directors and evaluates the overall composition of the Board, taking into account the existing balance of skills, experience and knowledge. The Committee is also responsible for assessing, on an annual basis, the individual performance of each Director and for making recommendations as to whether they should remain in office. This Committee is chaired by Shefaly Yogendra. The Committee met twice during the year, to discuss Board composition, Director recruitment, succession and the election and re-election of each Director.

The terms of reference of the Committees are available on the Company's website ([www.templebarinvestments.co.uk](http://www.templebarinvestments.co.uk)).

### Meeting Attendance

The table below sets out the Directors' attendance at Board and Committee meetings held during the year ended 31 December 2025.

	Board		Audit and Risk Committee		Management Engagement Committee		Nomination Committee	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Charles Cade	7	7	2	2	1	1	2	2
Richard Wyatt*	7	7	2	2	1	1	2	2
Shefaly Yogendra	7	7	2	2	1	1	2	2
Carolyn Sims	7	7	2	2	1	1	2	2
Nick Bannerman**	7	2	2	1	1	1	2	-
Wendy Colquhoun**	7	2	2	1	1	1	2	-

\* Retired from the Board on 2 December 2025.

\*\* Joined the Board on 1 July 2025.



### Independence of the Directors

The Board has reviewed the independence status of each individual Director and the Board as a whole. All Directors are considered to be independent of the Portfolio Manager and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

### Induction and Training

New Directors appointed to the Board are provided with an induction programme which is tailored to the particular circumstances of the appointee. The Company Secretary will offer induction training to new Directors about the Company, its key service providers, the Directors' duties and obligations and other matters as may be relevant from time to time. Regular briefings are provided during the year on industry and regulatory matters and the Directors receive other relevant training as required.

## Director Appointment, Re-Election and Tenure

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and the Companies Act 2006.

Under the Company's Articles of Association, Directors are subject to election by shareholders at the first AGM after their appointment. Thereafter, at each AGM any Director who has not stood for re-election at either of the two preceding AGMs shall retire. Beyond these requirements and in accordance with the AIC Code, the Board has agreed a policy whereby all Directors will seek annual re-election at the Company's AGM.

The tenure of each independent, non-executive director, including the Chair, is not ordinarily expected to exceed nine years. It should be noted that, in practice, the date of departure from the Board may be on the day of the Annual General Meeting following this anniversary.

However, the Board has agreed that the tenure of the Chair may be extended for a limited time provided such an extension is conducive to the Board's overall orderly succession. The Board believes that this more flexible approach to the tenure of the Chair is appropriate in the context of the regulatory rules that apply to investment companies, which ensure that the chair remains independent after appointment, while being consistent with the need for regular refreshment and diversity.

Notwithstanding this expectation, the Board considers that a director's tenure does not necessarily reduce his or her ability to act independently and will continue to assess each director's independence annually, through a formal performance evaluation.

The Board has carefully considered the position of each of the Directors and, following the annual Board evaluation, all of the Directors continue to be effective and to display an undiminished enthusiasm and commitment to the role. The Board therefore believes that it is in the best interests of shareholders that each of the following Directors is re-elected at the forthcoming AGM. The specific reasons for the re-election of each Director are set out below:

- Charles Cade: Charles became Chair of the Company on 2 December 2025. He has brought with him a wealth of experience and expertise in the investment trust sector. His extensive career in the investment sector and his relevant expertise and experience has proved invaluable to the Board.
- Shefaly Yogendra: Shefaly has extensive experience of governance and risk, an increasingly important attribute in the Board's risk management and decision-making process. This particular skillset contributes significantly to Board balance and discussion.
- Nick Bannerman: A Chartered Accountant, Nick is an experienced professional who has held senior positions in the commercial sector. He also has extensive knowledge of the investment trust sector.
- Wendy Colquhoun: A qualified solicitor, Wendy has a thorough understanding of investment trusts and the regulatory and other challenges that they face.
- Carolyn Sims: Carolyn has been a CFO of asset and wealth management businesses for over 15 years. From that she brings a wealth of technical accounting and reporting, regulatory, risk and operational business management experience.

## Diversity

The Board supports the principle of Boardroom diversity, of which gender, ethnicity and cognitive diversity are important aspects. The Company's policy is that the Board and its committees should be comprised of directors with a diverse range of skills, knowledge and experience and that appointments should be made on merit against objective criteria, including diversity in its broadest sense.

The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. To this end, achieving a diversity of perspectives and backgrounds on the Board will be a key consideration in any director search process. The Board encourages any recruitment agencies it engages to find a diverse range of candidates that meet the criteria agreed for each appointment and, from the shortlist, aims to ensure that a diverse range of candidates is brought forward for interview.

The following two tables provide the breakdown in gender identity and ethnic representation on the Board in accordance with the Listing Rules. As the Company is an investment trust it does not have any executive directors, executive or senior management, or employees so only information regarding the Directors is disclosed.

### Reporting table on sex/gender representation as at 31 December 2025

	Number of Board members	Percentage of the Board
Male	2	40%
Female	3	60%
Prefer not to say	–	–

### Reporting table on ethnicity representation as at 31 December 2025

	Number of Board members	Percentage of the Board
White British or other White (including minority- white groups)	4	80%
Mixed/Multiple Ethnic Groups	–	–
Asian/Asian British	1	20%
Black/African/Caribbean/Black British	–	–
Other ethnic group	–	–
Not specified/prefer not to say	–	–

### Board Succession

The Nomination Committee met to discuss Chair succession and also the recruitment of an additional new Director, to ensure an orderly succession and induction process.

The Board has an approved succession planning policy to ensure that (i) there is a formal, rigorous and transparent procedure for the appointment of new Directors; and (ii) the Board is comprised of members who collectively display the necessary balance of professional skills, experience, length of service and industry/Company knowledge.

### Board Evaluation

The Directors are aware that they need to continually monitor and improve performance, and recognise that this can be achieved through regular Board evaluation, which provides a valuable feedback mechanism for improving Board effectiveness.

The evaluation of the Board and the Chair was conducted through the completion of a questionnaire followed by a discussion covering a range of areas including strategy, processes and effectiveness, size and composition, and corporate governance. The discussion was designed to assess the strengths, areas of improvement and independence of the Board, together with the performance of its Committees, the Chair and individual Directors.

The results of the Board and Chair evaluation were discussed by the Nomination Committee. Following the evaluation process, the Board considers that all the Directors contribute effectively and have the skills and experience relevant to the leadership and direction of the Company.

### Conflicts of Interest

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Company, unless that conflict is first authorised by the Board. This includes potential conflicts that may arise when a Director takes up a position with another company. The Company's Articles of Association allow the Board to authorise such potential conflicts and there is a procedure in place to deal with any actual or potential conflict of interest. The Board deals with each appointment on its individual merit and takes into consideration all relevant circumstances.

A register of conflicts is maintained by the Company Secretary and is reviewed by the Directors at Board meetings to ensure that any authorised conflicts remain appropriate. The Directors are required to confirm at these meetings whether there has been any change to their position.

### Shareholder Communications

Shareholder relations are given high priority by both the Board and the Portfolio Manager. The principal medium by which the Company communicates with shareholders is through annual and half-yearly reports. The information contained therein is supplemented by daily NAV announcements, a monthly factsheet available on the Company's website and a quarterly newsletter. Further information on engagement with shareholders can be found under the Section 172 Statement on page 33.

### Risk Management and Internal Controls

The Board is ultimately responsible for the Company's risk management and internal control systems and for reviewing their effectiveness. Operational responsibility for this review is delegated to the Audit and Committee. A description of the principal risks facing the Company and an explanation of how they are managed is provided in the Strategic Report on pages 58 to 59. The Directors have a robust process for identifying, evaluating and managing the risks faced by the Company, including emerging risks, which are recorded in a risk schedule.

The Audit and Risk Committee's process involves reviewing the risk schedule at each of its two meetings during the year. The Audit and Risk Committee, on behalf of the Board, assesses the likelihood of occurrence and possible impact of each risk. The Committee then reviews the mitigating controls in place and assesses whether they provide sufficient mitigation.

The Company's internal controls are designed to manage, mitigate and/or monitor financial, investment, reporting, compliance and governance risks. As such, the controls aim to ensure that, *inter alia*:

- There is an effective governance and oversight system in place;
- The Portfolio Manager complies with the Company's investment policy;
- The assets of the Company are safeguarded and accurately valued;
- The Company's financial information is complete, accurate and clearly communicated to shareholders; and,
- The Company complies with all legal and regulatory requirements.

Material controls are the mechanisms and procedures whose systematic failure would lead to an unacceptable risk to the Company's performance, reporting, objectives and reputation.

The Board operates certain internal controls such as the review of the Company's financial reports, risk identification, and the oversight of service providers. However, as an externally managed investment trust, the Company is reliant on the operational systems of its service providers and this is reflected in the Company's internal controls structure, which is summarised on page 59.

Internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the Company's strategic objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Audit and Risk Committee monitored the Company's risk management and internal control framework throughout the year through the review of reports from the principal service providers, as set out on page 64. In particular, the Committee reviewed any exceptions identified in the internal controls reports and evaluated whether they were material for the Company. Further information was obtained from service providers where necessary. After the Company's year end, the principal service providers each provided a letter confirming that there had been no material changes to their internal controls between the date of their internal controls report and the Company's year end.

On behalf of the Board

**Charles Cade**  
Chair

19 March 2026

# Internal Controls & Structure

The Board has responsibility for establishing and assessing internal controls to ensure the Company operates effectively, efficiently and within the risk appetite set by the Board. As the Company relies on third party service providers for all of its operations, it obtains regular reports from these counterparties on the nature and effectiveness of controls within these organisations.

The Company's principal service providers are the Portfolio Manager, RWC Asset Management LLP (Redwheel), the AIFM, Company Secretary and Administrator, Frostrow Capital LLP, its depositary and custodian, Bank of New York Mellon and the registrar Equiniti. The Board receives regular reporting on compliance with the control environment and assesses the effectiveness of the internal controls through review of the assurance reports from each of these organisations.

In addition, the Company retains a number of secondary providers who report to the Board. These include the corporate broker. The services provided by these firms are not integral to the Company's operating model and internal controls and so the reporting they provide to the Board on their operations is less extensive.

The Audit and Risk Committee formally evaluates the performance and service delivery of all third party service providers at least annually and the performance of the Company's external auditor annually, following the completion of the annual audit process.

### Principal third party service providers

- The Directors
- receive regular reporting at meetings;
  - review the assurance report produced by each organisation;
  - receive additional reporting on the control environment from each of the principal third party service providers; and
  - formally evaluate their performance on an annual basis.

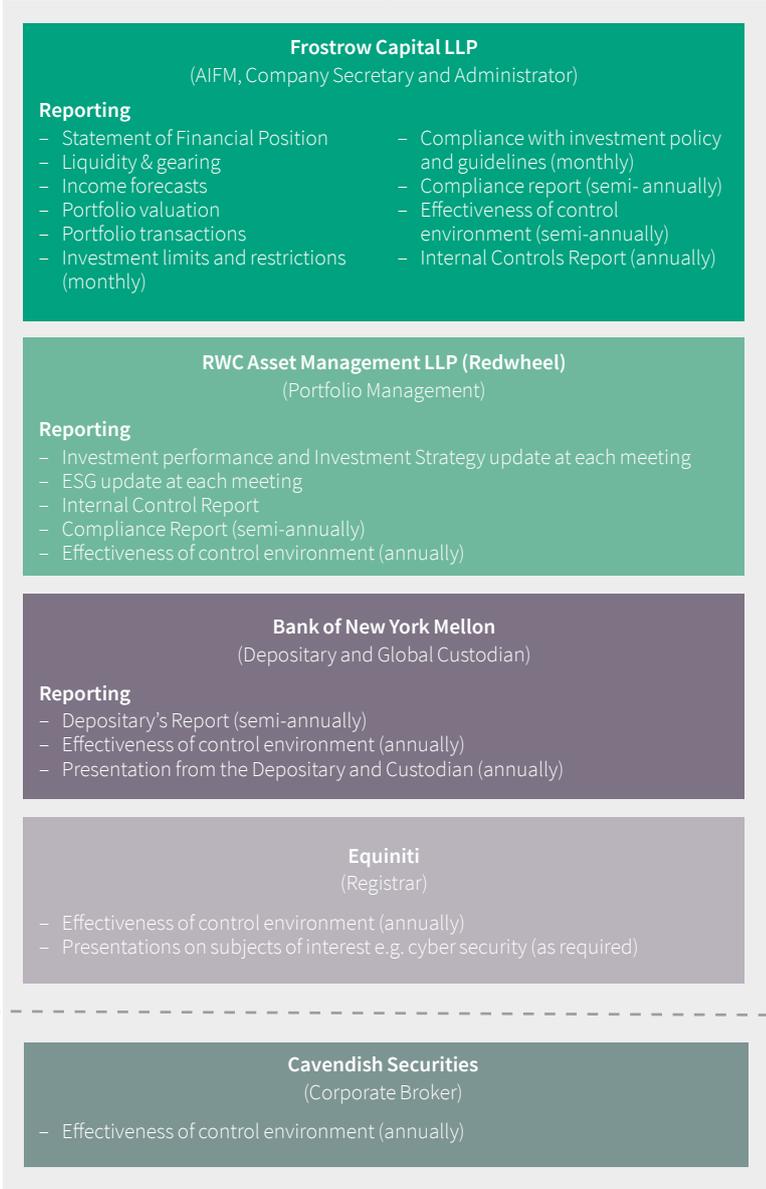
### Secondary third party service providers

- The Directors
- receive regular reporting on their activities at meetings; and
  - formally evaluate their performance on an annual basis.

**Board of Directors**  
Non-executive

**Committees:**

- Audit and Risk Committee
- Management Engagement Committee
- Nomination Committee



# Report on Directors' Remuneration

The Board presents the Report on Directors' Remuneration for the year ended 31 December 2025.

## Statement from the Chair

As set out in the Corporate Governance Statement on page 54, the Company does not have a Remuneration Committee and the Directors' remuneration is determined by the Board as a whole. No Director is involved in deciding their own individual remuneration. The Board reviews Directors' fees on an annual basis to ensure that they remain appropriate and are in line with the level of remuneration for other investment trusts of a similar size. During the year ended 31 December 2025, the annual fees were set at a rate of £45,750 for the Chair, £35,750 for the Chair of the Audit and Risk Committee and £30,500 for a Director.

The Board met in December 2025 and discussed the proposed Director fees for the year ending 31 December 2026. The Board agreed to increase the fees as follows: a rate of £49,000 for the Chair of the Board, £37,000 for the Chair of the Audit and Risk Committee and £32,000 per annum for a Director. No remuneration consultants were engaged by the Company during the financial year under review.

## Remuneration Policy

The Directors' Remuneration Policy was last approved at the Company's AGM in 2023. The policy is required to be put to a shareholders' vote at least once every three years and, in any year, if there is to be a change in the Directors' remuneration policy. Accordingly, an ordinary resolution will be put to shareholders at this year's AGM to receive and approve the Directors' remuneration policy and will take effect once approved by shareholders. The Remuneration Policy will then remain in place for a further three years or until such time as the Board may choose to make a change to the Policy (whereby they would put any changed Remuneration Policy to shareholders for approval), whichever is earliest. This ordinary resolution will be in addition to the ordinary resolution which will be put to shareholders to receive and approve the Directors' Remuneration Report.

The proposed Directors' remuneration policy is set out below in full and is unchanged from that previously approved by shareholders. There will be no change in the way that the Remuneration Policy will be implemented compared to how it was implemented in the financial year under review and since its last approval by shareholders at the AGM held in 2023.

## Purpose and link to strategy

Fees payable to Directors should be sufficient to attract and retain individuals of high calibre with suitable knowledge and experience. Those chairing the Board and key committees should be paid higher fees than other Directors in recognition of their more demanding roles. Fees should reflect the time spent by Directors on the Company's affairs and the responsibilities borne by the Directors.

## Maximum and minimum levels

Remuneration consists of a fixed fee each year, set in accordance with the stated policies, and any increase granted must be in line with the stated policies.

The Board reviews the quantum of Directors' fees each year to ensure this is in line with the level of remuneration for other investment trusts of a similar size.

When making recommendations for any changes in fees, the Board considers wider factors such as the average rate of inflation over the period since the previous review, and the level and any change in complexity of the Directors' responsibilities (including additional time commitments as a result of increased regulatory or corporate governance requirements).

Shareholder views in respect of Directors' remuneration are communicated at the AGM and are taken into account when formulating the Directors' remuneration policy.

## Voting at AGM

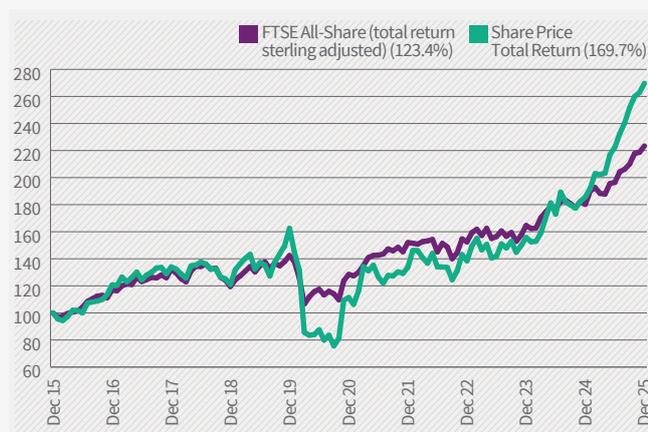
The Report on Directors' Remuneration for the year ended 31 December 2024 was approved by shareholders at the AGM held on 6 May 2025. 99.0% of poll votes in respect of the approval of the Report on Directors' Remuneration were in favour, 1.0% were against and 143,215 votes were withheld. The Directors' Remuneration Policy was approved by shareholders at the AGM held on 9 May 2023. 99.5% of proxy votes in respect of approval of the Remuneration Policy were in favour, 0.5% were against and 163,251 votes were withheld. The policy will again be put before shareholders at this year's AGM.

## Performance Graph

The Company tries to meet its stated investment objective by investing primarily in UK equities across different sectors, while maintaining a balance of larger and smaller/medium-sized companies. The FTSE All-Share Index is a very broad UK-based index, which makes it an appropriate benchmark for the Company's strategy and UK value mandates in general, due to its coverage of small cap companies as well as the larger-cap listings found in the main FTSE Indices.

The Directors consider that the most appropriate measure of the Company's performance is its share price total return compared with the total return on the FTSE All-Share Index. A graph illustrating this relative performance over a ten-year period is shown below.

## Temple Bar Total Return Ten Years to 31 December 2025



Source: Frostrow for Company returns, Redwheel for FTSE All-Share returns. Rebased to 100 as at 31 December 2015.

### Remuneration for the Year Ended 31 December 2025 (audited)

The remuneration for the non-executive Directors is determined within the limits set out in the Company's Articles of Association. The amount paid in aggregate to the Directors in 2025 is set out in the table below. The present limit, which was set in 2009, is £250,000 in aggregate per annum. An ordinary resolution will be put to the AGM to increase the annual limit on the aggregate amount of fees payable by the Company to the Directors under Article 100. The Directors wish to provide for any Board succession overlap and also in the event that the Board composition were to expand in number in the future. The Board is proposing that an aggregate annual limit of £350,000 be approved by shareholders, replacing the current limit of £250,000.

It is the Company's policy that no Director shall be entitled to any performance-related remuneration, benefits in kind, long-term incentive schemes, share options, pensions or other retirement benefits or compensation for loss of office. None of the Directors have a service contract with the Company, nor are they required to serve a notice period.

The remuneration paid to the Directors during the year is set out in the table below:

### Directors' Emoluments (audited)

	Fixed fees (£) 2025	Taxable expenses (£) <sup>†</sup> 2025	Total (£) 2025	Fixed fees (£) 2024	Taxable expenses (£) <sup>†</sup> 2024	Total (£) 2024
Lesley Sherratt <sup>1</sup>	n/a	n/a	n/a	12,604	–	12,604
Richard Wyatt <sup>2</sup>	42,289	–	42,289	45,750	–	45,750
Shefaly Yogendra	30,500	–	30,500	30,000	–	30,000
Charles Cade <sup>5</sup>	31,946	–	31,946	30,000	–	30,000
Carolyn Sims <sup>3</sup>	35,750	–	35,750	33,906	–	33,906
Nick Bannerman <sup>4</sup>	15,250	903	16,153	n/a	n/a	n/a
Wendy Colquhoun <sup>4</sup>	15,250	973	16,223	n/a	n/a	n/a
<b>Total</b>	<b>170,985</b>	<b>1,876</b>	<b>172,861</b>	<b>152,260</b>	<b>–</b>	<b>152,260</b>

<sup>†</sup> Taxable expenses primarily comprise travel and associated expenses incurred by the Directors in attending Board and Committee meetings in London. These are reimbursed by the Company and, under HMRC Rules, are subject to tax and National Insurance and therefore are treated as a benefit in kind within this table.

<sup>1</sup> Retired from the Board on 6 May 2024.

<sup>2</sup> Retired from the Board on 2 December 2025.

<sup>3</sup> Appointed Chair of the Audit and Risk Committee on 6 May 2024.

<sup>4</sup> Appointed to Board on 1 July 2025

<sup>5</sup> Became Chair of the Company on 2 December 2025.

There were no taxable benefits received by any Directors during the year.

### Annual percentage change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees over the last three years and for the forthcoming year.

	% change			
	2025 to 2026	2024 to 2025	2023 to 2024	2022 to 2023
Chair	+7.1	–	–	+5.2
Chair of the Audit and Risk Committee	+3.5	–	–	+5.1
Director	<b>+4.9</b>	+1.7	+1.7	+5.4

### Expenditure by the Company on Remuneration and Distributions to Shareholders

The table below compares the remuneration paid to Directors with distributions made to shareholders by way of a dividend, ongoing charges of the Company, and shares bought back during the year under review and the prior financial year.

### Relative importance of Spend on Pay

	2025 £'000	2024 £'000
Directors' Remuneration	171	152
Total Dividends	40,649	30,817
Ongoing charges <sup>1</sup>	5,467	4,737
Cost of share buybacks during year	2,171	12,708

<sup>1</sup> See Glossary on page 103.

## Report on Directors' Remuneration continued

### Directors' Shareholdings (audited)

There is no requirement under the Company's Articles of Association for Directors to hold shares in the Company.

The beneficial interests of the Directors' and any connected persons in the shares of the Company are set out below:

	2025 Number of shares	2024 Number of shares
Richard Wyatt <sup>^</sup>	n/a	50,000
Shefaly Yogendra	4,500	4,500
Charles Cade	50,000	50,000
Carolyn Sims	–	–
Nick Bannerman	10,049	–
Wendy Colquhoun	5,535	–

<sup>^</sup> Retired from the Board on 2 December 2025.

There were no changes in the interests shown above between 31 December 2025 and the date of this Annual Report.

### Approval

The Report on Directors' Remuneration was approved by the Board and signed on its behalf by:

### Charles Cade

Chair

19 March 2026

# Report of the Audit and Risk Committee



## Introduction from the Chair

I am pleased to present the Report of the Audit and Risk Committee (the “Committee”) for the year ended 31 December 2025.

### Composition and Meetings

The Committee met twice during the year under review. In addition, the Committee meets the Auditor at least annually, without any other party present, for a private discussion. The Committee comprises all of the Company’s independent non-executive Directors. As a result, the Committee comprises the whole Board. The Committee believes it is appropriate for the Chair of the Board to be a member of the Audit Committee on account of his relevant sector experience.

The members of the Committee consider that they have the requisite skills and experience to fulfil the responsibilities of the Committee. I have recent and relevant financial experience with which to fulfil my role as Chair of the Committee, and the Committee as a whole has competence relevant to the investment trust sector.

### Role and Responsibilities of the Committee

The Committee’s main responsibilities during the year were:

- To review the Company’s Half-Year and Annual Report. In particular, to consider and advise the Board on whether the Annual Report, taken as a whole, is fair, balanced and understandable;
- To review the risk management and internal control processes of the Company and its key service providers;

- To develop and implement a policy for the engagement of the external Auditor and agreeing the scope of its work and its remuneration. Also, to be responsible for the selection process of the external Auditor (including the leadership of an audit tender process) and to have primary responsibility for the Company’s relationship with the external Auditor;
- To review the effectiveness of the external audit and the process;
- To review the independence and objectivity of the external Auditor;
- To consider any non-audit work to be carried out by the Auditor. The Committee reviews the need for non-audit services to be provided by the Auditor and authorises such on a case by case basis, having consideration to the cost effectiveness of the services and the independence and objectivity of the Auditor;
- To consider the need for an internal audit function. Since the Company delegates its day-to-day operations to third parties and has no employees, the Committee has determined there is no requirement for such a function;
- To assess the going concern and viability of the Company, including the assumptions used; and
- To report its findings to the Board.

A comprehensive description of the Committee’s role, its duties and responsibilities, can be found in its terms of reference which are available for review on the Company’s website at [www.templebarinvestments.co.uk](http://www.templebarinvestments.co.uk).

## Significant Matters Considered by the Committee during the year and to the date of this Annual Report

Significant Reporting Matter	How the matter was addressed
Valuation of Investments	The Committee received assurance that the valuation of assets had been carried out in accordance with the adopted accounting policies set out in note 1 beginning on page 81.
Existence and Ownership of Investments	The Committee received assurance that all investment holdings and cash/deposit balances had been agreed by Frostrow to an independent confirmation from the Custodian or relevant bank, throughout the year. The Committee reviewed the internal controls reports of Frostrow, Redwheel and The Bank of New York Mellon.
Annual Report and Financial Statements	<p>The Board asked the Committee to confirm that, in its opinion, the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company’s financial position, performance, business model and strategy. In doing so, the Committee considered:</p> <ul style="list-style-type: none"> <li>– the comprehensive control framework around the production of the Annual Report, including the process in place to verify the factual content;</li> <li>– the detailed levels of review that were undertaken in the production process, by Frostrow and by the Committee; and</li> <li>– the internal control environment as operated by Redwheel, Frostrow (the AIFM), The Bank of New York Mellon (the Custodian and Depository) and other service providers.</li> </ul>

## Other Reporting Matters

### Audit Regulation

The Committee has noted, in particular, the publication by the FRC of the Minimum Standard for Audit Committees and the revised UK Corporate Governance Code and AIC Corporate Governance Code. The Minimum Standard will apply to the Company on a comply or explain basis as it is included by reference in the new UK Corporate Governance Code. The Committee will seek to comply with the Standard as far as it is appropriate for an externally-managed investment company to do so.

### Incomplete or inaccurate revenue recognition

Income received is accounted for in accordance with the Company's accounting policies as set out in note 1 to the financial statements.

The Board receives income forecasts, including special dividends, together with explanations from the Portfolio Manager for any significant movements from previous forecasts.

### Maintenance of investment trust status

The Committee regularly considers the controls in place to ensure that the regulations for maintaining investment trust status are observed at all times and receives supporting documentation from the AIFM.

### Material Controls

Following the introduction of new corporate governance regulations, the Board has undertaken a comprehensive review of the Company's material controls to ensure alignment with the updated requirements. This review assessed the effectiveness of existing systems and identified areas for enhancement. As a result, the Board has developed and approved an implementation plan to strengthen governance practices and ensure ongoing compliance. Progress against this plan will be monitored regularly and reported to shareholders as appropriate.

### Going concern and long-term viability of the Company

The Committee considered the Company's financial requirements for the next twelve months and concluded that it has sufficient resources to meet its commitments. Consequently, the financial statements have been prepared on a going concern basis. The Committee also considered the longer-term viability statement within the Annual Report for the year ended 31 December 2025, covering a five-year period, and the underlying factors and assumptions which contributed to the Committee deciding that this was an appropriate length of time to consider the Company's long-term viability. The Company's viability statement can be found on page 42.

### Internal Controls and Risk Management

The Committee carefully considers the internal control systems by continually monitoring the services and controls of its third party service providers.

The Committee reviewed and updated the risk matrix during the year in consideration of the Company's principal and emerging risks. In addition, the Committee reviews the Company's risk heat map on a regular basis. This enables the Committee to assess all current and emerging risks faced by the Company and to discuss in detail how these can be mitigated and agree any action to be taken. The risks are considered individually and collectively so as to ensure the potential combined impact of all risks can be considered and appropriate action taken. The Committee received reports on internal controls and compliance from the Portfolio Manager and the Company's other service providers and no significant

matters of concern were identified. Details of the principal and emerging risks faced by the Company can be found on pages 39 to 46.

### Half-Year Report & Financial Statements

The Committee reviewed the Half Year Report and Financial Statements, which are not audited or reviewed by the Auditor, to ensure that the accounting policies were consistent with those used in the annual financial statements and that they portrayed a fair, balanced and understandable picture of the period in question.

### Internal Audit

The Company does not have an internal audit function.

The Committee monitors and considers the need for an internal audit function on (at least) an annual basis. The Committee continues to believe that the Company does not require an internal audit function as it delegates its day-to-day operations to third parties from whom it receives and reviews internal control reports.

### Depositary

During the year, the Committee reviewed reports from the Depositary on their regulatory oversight and due diligence duties. Nothing material was brought to the attention of the Committee.

### Accounting Policies

The Committee ensured that the accounting policies set out in the notes to the financial statements were applied consistently throughout the year. In light of there being no unusual transactions during the year or other possible reasons, there were no changes to these policies.

### Withholding Tax

The Committee monitored the reclamation of withholding tax, receiving updates from Frostrow on the process and the appointment of specialist local agents.

## Other Activities During the Year

In addition to carrying out its principal duties, the Committee also reviewed:

- the Committee's terms of reference;
- compliance reports submitted by Frostrow;
- the Company's anti-bribery and corruption policy; and
- the Company's commitment to the prevention of the criminal facilitation of tax evasion.

## External Auditor

This is the sixth audit for BDO LLP following its appointment at the AGM held in March 2020. Audit fees for the year ended 31 December 2025 are set out in note 7 to the financial statements.

The Auditor is required to rotate the audit partner every five years. Peter Smith was the audit partner since BDO LLP's appointment, and so rotated off the Company's audit following the completion of last year's audit.

Peter Smith was succeeded by Jamie Smith who I met prior to his formal appointment.

There were no non-audit services provided by the Auditor during the year.

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### Effectiveness of the External Audit

The Committee monitors and reviews the effectiveness of the external audit carried out by the Auditor, including a detailed review of the audit plan and the audit results report, and makes recommendations to the Board on the re-appointment and the terms of engagement of the Auditor. The Chair of the Committee met with the Company's Audit Partner prior to the finalisation of the audit of the Annual Report & Financial Statements for the year ended 31 December 2025, without the Portfolio Manager or the AIFM being present, to discuss how the external audit was carried out, the findings from such audit and whether any issues had arisen from the Auditor's interaction with the Company's various service providers. No concerns were raised in respect of the year ended 31 December 2025.

### Independence and Objectivity of the Auditor

The Committee has considered the independence and objectivity of the Auditor and is satisfied that the Auditor has fulfilled its obligations to the Company and its shareholders. The Committee remains satisfied that BDO as a firm, its audit engagement team, audit partner, all other partners, directors and managers comply with all relevant ethical requirements as required and are independent of the Company. The Auditor's independence and objectivity are safeguarded by several control measures which include the rotation of the audit partner every five years and by the fact that no non-audit services were provided by BDO during the year. The Committee reviews the continuing appointment of the Auditor on an annual basis and gives regular consideration to the Auditor's fees and independence, along with matters raised during each audit.

### Appointment of the Auditor

Following consideration of the performance of the Auditor, the services provided during the year and a review of its independence and objectivity, the Committee has recommended to the Board the re-appointment of BDO LLP as Auditor to the Company. Resolutions for BDO LLP's re-appointment and to authorise the Committee to determine its remuneration will be proposed at the forthcoming AGM.

As a public company listed on the London Stock Exchange, the Company is subject to mandatory auditor rotation requirements. Based on these requirements, a tender process will be conducted no later than 2029. The Committee will, however, continue to consider annually the need to go to tender for audit quality, remuneration or independence reasons.

## Performance Evaluation

The Committee's performance over the past year was reviewed as part of the annual Board evaluation. The internal evaluation considered the composition of the Committee and the efficacy of Committee meetings, as well as assessing the Committee's role in monitoring and overseeing the Company's financial reporting and accounting, risk management and internal controls, compliance with corporate governance regulations and the assessment of the external audit.

I am pleased to confirm that the evaluation result was positive and no matters of concern or requirements for change were highlighted.

## Audit and Risk Committee Confirmation

The Audit and Risk Committee confirms that it has carried out a review of the effectiveness of the system of internal financial control and risk management during the year, as set out above and that:

- (a) An ongoing procedure for identifying, evaluating and managing significant risks faced by the Company was in place for the year under review and up to 19 March 2026. This procedure is regularly reviewed by the Board; and
- (b) It is responsible (on behalf of the Board) for the Company's system of internal controls and for reviewing its effectiveness and that it is designed to manage the risk of failure to achieve business objectives. This can only provide reasonable not absolute assurance against material misstatement or loss.

### Carolyn Sims

Chair of the Audit and Risk Committee

19 March 2026

# Report of the Management Engagement Committee

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## Introduction from the Chair

I am pleased to present the Report of the Management Engagement Committee (the “Committee”) for the year ended 31 December 2025. Wendy Colquhoun succeeded me as Chair of this Committee on 2 December 2025.

### The Role of the Committee

The Committee’s primary responsibilities are to:

- monitor and evaluate the performance of both the Portfolio Manager and the AIFM and their compliance with the terms of their respective agreements;
- review the terms of the Portfolio Management and AIFM Agreements annually to ensure that the terms conform with market and industry practice and remain in the best interests of shareholders;
- recommend to the Board any variation to the terms of the Investment Management and AIFM Agreements which it considers necessary or desirable;
- review and make the appropriate recommendations to the Board as to whether the continuing appointment of the Portfolio Manager and the AIFM are in the best interests of the Company and shareholders;
- review the level and method of remuneration of the Portfolio Manager;
- monitor the appropriateness and compliance of other service providers’ terms of their respective agreements;
- review, consider and recommend to the Board any amendments to the terms of the appointment and remuneration of other service providers; and
- consider any points of conflict of interest which may arise between the service providers.

### Matters Considered During the Year

The Committee met once during the year ended 31 December 2025.

At the meeting the Committee:

- reviewed the performance of the AIFM and the Portfolio Manager. The review concluded that both the Portfolio Manager and the AIFM continued to perform well;
- considered and agreed to the continuing appointment of the AIFM and Portfolio Manager; and
- considered the services provided by the Company’s other third-party service providers.

### Shefaly Yogendra

Chair of the Management Engagement Committee during the year ended 31 December 2025

19 March 2026

# Report of the Nomination Committee



## Introduction from the Chair

I am pleased to present the Report of the Nomination Committee (the “Committee”) for the year ended 31 December 2025.

### The Role of the Committee

The Committee’s primary responsibilities are to:

- regularly review the structure, size and composition (including the skills, knowledge, experience and diversity, including gender and ethnicity) of the Board;
- give full consideration to succession planning for Directors, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future;
- using objective criteria, identify and nominate for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- review the results of the Board performance evaluation process that relate to the composition and the succession planning of the Board;
- make recommendations on the tenure of the Chair of the Board; and
- review annually the time required from Directors and any other business interest that may result in a conflict.

### Matters Considered During the Year

The Committee met twice during the year ended 31 December 2025. At its meeting in March 2025, the Committee:

- discussed Board composition and succession planning, where the Committee received an update on the progress being made by Odgers Berndtson, who were assisting the Board in the recruitment of a new Director;
- reviewed and approved the Board’s succession planning policy;
- reviewed and agreed the Board diversity disclosure to be contained in the Company’s Annual Report and Accounts;
- considered the re-election of each of the then Directors at the AGM held on 6 May 2025. The Committee carefully considered the position of each of the Directors, including the findings of the internal Board evaluation, and concluded that all of the Directors continued to be effective and to display an undiminished enthusiasm and commitment to the role. The Committee therefore recommended to the Board that the election or re-election of those Directors seeking to remain on the Board was in the best interests of shareholders and that accordingly resolutions regarding the same should be put to shareholders at the AGM; and
- reviewed the results of the internal Board evaluation.

At the Committee’s second meeting, held in June 2025 the Committee:

- discussed the Director recruitment project where, following the completion of an externally facilitated recruitment process, it was agreed to recommend to the Board that Nick Bannerman and Wendy Colquhoun be appointed to the Board.

### Shefaly Yogendra

Chair of the Nomination Committee

19 March 2026

# Statement of Directors' Responsibilities

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## Directors' responsibilities

The Directors are responsible for preparing the Annual Report & Financial Statements in accordance with UK-adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the company financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for the company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- prepare a Directors' report, a strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for, and confirm that to the best of their knowledge, the Annual Report and Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

## Website publication

The Directors are responsible for ensuring the Annual Report & Financial Statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- the financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

**Charles Cade**  
Chair

19 March 2026

# Independent Auditor’s Report to the Members of Temple Bar Investment Trust Plc

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31 December 2025 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Temple Bar Investment Trust Plc (the ‘Company’) for the year ended 31 December 2025 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors’ method of assessing going concern in light of economic and market conditions by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors’ assumptions and judgements made by comparing the prior year forecasted costs to the actual costs incurred to assess the reliability of the Directors forecasting ability as well as comparing the projected costs to the current year actuals to assess whether they are reasonable;
- Assessing the projected management fees for the year to check that they were in line with the current assets under management levels and the projected market growth forecasts for the following year;
- Sensitising the forecasts based on an economic downturn and calculating financial ratios to ascertain the financial health of the

Company, including performing calculations assessing the net asset position of the Company to understand the reliance on loans;

- Assessing the appropriateness of the Directors’ assumptions and judgements made in their base case and stress tested forecasts including consideration of the available cash and liquid assets relative to forecast expenditure and commitments;
- Challenging the Directors’ assumptions and judgements made in their forecasts by performing an independent analysis of the liquidity of the portfolio; and
- Reviewing the loan agreements to identify the covenants and assessing the likelihood of them being breached based on the Directors’ forecasts and our sensitivity analyses.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company’s ability to continue as a going concern.

In relation to the Company’s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Overview**

	2025	2024
<b>Key audit matters</b>		
Valuation and ownership of quoted investments	✓	✓
Revenue recognition – Dividend income	✓	✓
<b>Materiality</b>		
Company financial statements as a whole		
£10,690,000 (2024: £8,160,000) based on 1% (2024: 1%) of net assets		

**An overview of the scope of our audit**

Our audit was scoped by obtaining an understanding of the Company and its environment, the applicable financial reporting framework and the system of internal control. We identified and assessed the risks of material misstatement of the financial statements. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risk of material misstatement to the financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the risk of material misstatement to an acceptable level, to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

#### How the scope of our audit addressed the key audit matter

#### Valuation and ownership of quoted investments

##### Note 12 – Investments

The investment portfolio at the year-end is comprised of quoted equity and debt investments.

There is a risk that the prices used for the listed investments held by the Company are not reflective of fair value and the risk that errors made in the recording of investment holdings result in the incorrect reflection of investments owned by the Company.

Therefore, we considered the valuation and ownership of quoted equity and debt investments to be the most significant audit area as they represent the most significant balance in the financial statements and underpin the principal activity of the entity.

Furthermore, we consider the valuation disclosures to be a significant area as they are expected to be a key area of interest for the users of the financial statements.

For these reasons, and the materiality of the balance in relation to the financial statements as a whole, we considered this to be a key audit matter.

We responded to this matter by testing the valuation and ownership of the whole portfolio of quoted debt and equity investments. We performed the following procedures:

- Confirmed the year-end bid price was used by agreeing to externally quoted prices;
- Assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value by considering the realisation period for individual holdings;
- Recalculated the valuation by multiplying the number of shares held per the statement obtained from the custodian by the valuation per share; and
- Obtained direct confirmation of the number of shares held per equity investment and the par value of the debt from the custodian regarding all investments held at the balance sheet date.

We also considered the completeness, accuracy and clarity of investment-related disclosures against the requirements of relevant accounting standard.

#### Key observations:

Based on our procedures performed we did not identify any matters to suggest the valuation or ownership of the quoted equity or debt investments was not appropriate.

#### Revenue recognition – Dividend income

##### Note 4 – Income

Income arising from dividends can be volatile but is often a key factor in demonstrating the performance of the portfolio. As such there may be an incentive to recognise income as revenue where it is more appropriately of a capital nature.

Additionally, judgement is required by management in determining the allocation of dividend income to revenue or capital for certain corporate actions or special dividends.

For this reason, we considered revenue recognition to be a key audit matter.

We evaluated the design and implementation of the controls in place around the recording of revenue and the classification of transactions as either revenue or capital income.

We assessed the treatment of dividend income from corporate actions and special dividends and challenged if these had been appropriately accounted for as income or capital by reviewing the underlying reason for issue of the dividend and whether it could be driven by a capital event.

We analysed the whole population of dividend receipts to identify items for further discussion that could indicate a capital distribution, for example where a dividend represents a particularly high yield. In these instances, we performed a combination of inquiry with management and our own independent research, including inspection of financial statements of investee companies, to ascertain whether the underlying event was indeed of a capital nature.

In addition, we formed our own expectation of dividend income for 100% of the portfolio based on investment holdings and dividend announcements obtained from independent sources and compared this to dividend income recognised by the Company.

#### Key observations:

Based on our procedures performed we found the judgements made by management in determining the allocation of income to revenue or capital to be appropriate.

### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:



	Company financial statements 2025	Company financial statements 2024
<b>Materiality</b>	£10,690,000	£8,160,000
<b>Basis for determining materiality</b>	1% of Net Assets	1% of Net Assets
<b>Rationale for the benchmark applied</b>	As an investment trust, the net asset value is the key measure of performance for users of the financial statements.	
<b>Performance materiality</b>	£8,010,000	£6,120,000
<b>Basis for determining performance materiality</b>	75% of materiality	75% of materiality
<b>Rationale for the percentage applied or performance materiality</b>	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

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### Specific materiality

We also determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we determined materiality for these items to be £2,050,000 (2024: £1,760,000), based on 5% of Revenue return before tax (2024: 5% of revenue return before tax). We further applied a performance materiality level of 75% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

### Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £100,000 (2024: £90,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report & Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Corporate governance statement

The UK Listing Rules sourcebook requires us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

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### Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 42;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 42; and
- The Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities set out on page 42.

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### Other Code provisions

- Directors' statement on fair, balanced and understandable set out on page 68;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 41;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 64; and
- The section describing the work of the Audit and Risk Committee set out on page 63.

### **Other Companies Act 2006 reporting**

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

### **Directors' remuneration**

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

### **Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

### **Non-compliance with laws and regulations**

Based on:

- Enquires of management whether there were any litigations and claims;
- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Enquires of management whether there were any litigations and claims;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Company was meeting its requirements to retain their Investment Trust Status.

## Fraud

We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and the recognition of dividend income between revenue and capital.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above in relation to the classification of dividends between revenue and capital; and
- Testing journals which met defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.
- Reviewed for significant transactions outside the normal course of business; and
- Performed a review of unadjusted audit differences, if any, for indications of bias or deliberate misstatement.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Other matters which we are required to address

We were appointed by the audit and risk committee on 30 March 2020 to audit the financial statements for the period ended 31 December 2020.

Our total uninterrupted period of engagement is six years, covering the periods ended 31 December 2020 to 31 December 2025.

Our audit opinion is consistent with the additional report to the audit and risk committee.

## Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R - 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R - DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R - DTR 4.1.18R.

## Jamie Smith (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor  
London, UK

19 March 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Financial Report

# Statement of Comprehensive Income

	Notes	2025			2024		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Total Income	4	45,054	–	45,054	38,981	–	38,981
Profit on investments	12	–	243,136	243,136	–	110,111	110,111
Currency exchange loss		–	(423)	(423)	–	(128)	(128)
<b>Total income</b>		<b>45,054</b>	<b>242,713</b>	<b>287,767</b>	<b>38,981</b>	<b>109,983</b>	<b>148,964</b>
<b>Expenses</b>							
Portfolio management fees	6	(1,343)	(2,015)	(3,358)	(1,128)	(1,691)	(2,819)
Other expenses	7	(1,541)	(1,569)	(3,110)	(1,419)	(885)	(2,304)
<b>Profit before finance costs and tax</b>		<b>42,170</b>	<b>239,129</b>	<b>281,299</b>	<b>36,434</b>	<b>107,407</b>	<b>143,841</b>
Finance costs	8	(1,124)	(1,685)	(2,809)	(1,123)	(1,684)	(2,807)
<b>Profit before tax</b>		<b>41,046</b>	<b>237,444</b>	<b>278,490</b>	<b>35,311</b>	<b>105,723</b>	<b>141,034</b>
Tax	9	(1,777)	–	(1,777)	(1,488)	–	(1,488)
<b>Profit for the year</b>		<b>39,269</b>	<b>237,444</b>	<b>276,713</b>	<b>33,823</b>	<b>105,723</b>	<b>139,546</b>
<b>Earnings per share</b>	<b>11</b>	<b>13.8p</b>	<b>83.2p</b>	<b>97.0p</b>	<b>11.8p</b>	<b>36.8p</b>	<b>48.6p</b>

The total column of this statement represents the Statement of Comprehensive Income prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance issued by the AIC. All items in the above statement derive from continuing operations.

No operations were acquired or discontinued during the year.

The Company does not have any income or expense that is not included in profit for the year. Accordingly, the profit for the year is also the Total Comprehensive Income for the year, as defined in IAS1 (revised).

The notes on pages 81 to 95 form an integral part of the financial statements.

# Statement of Changes in Equity

	Notes	Called-up share capital £'000	Share premium account £'000	Capital reserves £'000	Revenue reserve £'000	Total equity £'000
<b>At 1 January 2024</b>		<b>16,719</b>	<b>96,040</b>	<b>595,294</b>	<b>12,651</b>	<b>720,704</b>
Total comprehensive income for the year	-	-	-	105,723	33,823	139,546
Cost of shares bought back for treasury		-	-	(12,708)	-	(12,708)
Dividends paid	10	-	-	-	(30,817)	(30,817)
<b>At 31 December 2024</b>		<b>16,719</b>	<b>96,040</b>	<b>688,309</b>	<b>15,657</b>	<b>816,725</b>
Total comprehensive income for the year		-	-	237,444	39,269	276,713
Cost of shares bought back for treasury		-	-	(2,171)	-	(2,171)
Net proceeds of sale of shares from treasury		-	6,983	11,591	-	18,574
Dividends paid	10	-	-	(6,422)	(34,227)	(40,649)
<b>At 31 December 2025</b>		<b>16,719</b>	<b>103,023</b>	<b>928,751</b>	<b>20,699</b>	<b>1,069,192</b>

As at 31 December 2025, the Company had distributable revenue reserves of £20,699,000 (2024: £15,657,000) and distributable capital reserves of £928,751,000 (2024: £668,309,000) for the payment of future dividends. Only the revenue reserve and capital reserves are distributable.

The notes on pages 81 to 95 form an integral part of the financial statements.

# Statement of Financial Position

	Notes	31 December 2025		31 December 2024	
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Investments at fair value through profit or loss	12		1,114,430		880,603
<b>Current assets</b>					
Investments at fair value through profit or loss	12	14,462		4,202	
Cash and cash equivalents		12,782		6,354	
Receivables	13	4,334		2,059	
			<b>31,578</b>		<b>12,615</b>
<b>Total assets</b>			<b>1,146,008</b>		<b>893,218</b>
<b>Current liabilities</b>					
Payables	14		(1,998)		(1,712)
<b>Total assets less current liabilities</b>			<b>1,144,010</b>		<b>891,506</b>
<b>Non-current liabilities</b>					
Interest bearing borrowings	15		(74,818)		(74,781)
<b>Net assets</b>			<b>1,069,192</b>		<b>816,725</b>
<b>Capital and reserves</b>					
Ordinary share capital	16	16,719		16,719	
Share premium		103,023		96,040	
Capital reserves		928,751		688,309	
Revenue reserve		20,699		15,657	
<b>Total equity attributable to equity holders</b>			<b>1,069,192</b>		<b>816,725</b>
<b>NAV per share</b>	18		<b>369.1p</b>		<b>286.2p</b>
<b>NAV per share with debt at fair value<sup>1</sup></b>	18		<b>373.4p</b>		<b>291.1p</b>

<sup>1</sup> Alternative Performance Measure – See glossary of terms beginning on page 103 for definition and more information.

The notes on pages 81 to 95 form an integral part of the financial statements.

The financial statements of Temple Bar Investment Trust Plc (registered number: 00214601) on pages 77 to 95 were approved by the Board of Directors and authorised for issue on 19 March 2026. They were signed on its behalf by:

**Charles Cade**  
Chair

# Statement of Cash Flows

	Notes	31 December 2025		31 December 2024	
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Profit before tax			278,490		141,034
Adjustments for:					
Gains on investments		(243,136)		(110,111)	
Finance costs		2,809		2,807	
Dividend income	4	(44,756)		(38,635)	
Interest income	4	(298)		(346)	
Dividends received		42,855		38,999	
Interest received		119		516	
(Increase)/decrease in other receivables		(344)		407	
Increase/(decrease) in other payables		287		(652)	
Net overseas withholding tax paid	9	(1,777)		(1,488)	
			<b>(244,241)</b>		<b>(108,503)</b>
<b>Net cash flows from operating activities</b>			<b>34,249</b>		<b>32,531</b>
<b>Cash flows from investing activities</b>					
Purchases of investments		(325,858)		(108,442)	
Sales of investments		325,056		124,317	
<b>Net cash flows (used in)/from investing activities</b>			<b>(802)</b>		<b>15,875</b>
<b>Cash flows from financing activities</b>					
Equity dividends paid	10	(40,649)		(30,817)	
Interest paid on borrowings		(2,773)		(2,772)	
Shares bought back for treasury		(2,171)		(12,738)	
Shares issued from treasury		18,574		–	
<b>Net cash flows used in financing activities</b>			<b>(27,019)</b>		<b>(46,327)</b>
<b>Net increase in cash and cash equivalents</b>			<b>6,428</b>		<b>2,079</b>
<b>Cash and cash equivalents at the start of the year</b>			<b>6,354</b>		<b>4,275</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>12,782</b>		<b>6,354</b>

The notes on pages 81 to 95 form an integral part of the financial statements.

# Notes to the Financial Statements

## General information

Temple Bar Investment Trust Plc was incorporated in England and Wales in 1926 with the registered number 00214601.

The Company carries on the business as an investment trust company within the meaning of Sections 1158/1159 of the Corporation Tax Act 2010.

## 1. Principal Accounting Policies

### Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention, modified by the valuation of investments at fair value, prepared in accordance with UK adopted international accounting standards.

The annual financial statements have also been prepared in accordance with the AIC SORP for investment trusts issued by the AIC in July 2022, except to any extent where it is not consistent with the requirements of IFRS. The principal accounting policies adopted by the Company are set out below.

All values are rounded to the nearest thousand pounds unless otherwise indicated.

### Going concern

The Directors are required to make an assessment of the Company's ability to continue as a going concern and that the Company has adequate resources to continue in operational existence for 12 months from the date when these financial statements are approved.

In making this assessment, the Directors have considered a wide variety of emerging and current risks to the Company, as well as mitigation strategies that are in place. The Board has also reviewed stress-testing and scenario analyses prepared by the AIFM to assist it in assessing the impact of changes in market value and income with associated cash flows. In making this assessment, the AIFM has considered plausible downside scenarios.

These tests are carried out as an arithmetic exercise, which can apply equally to any set of circumstances in which asset value and income are significantly impaired. It was concluded that in a plausible downside scenario, the Company could continue to meet its liabilities. Whilst the economic future is uncertain, the opinion of the Directors is that no foreseeable downside scenario would be to a level which would threaten the Company's ability to continue to meet its liabilities as they fall due.

Based on the information available to the Directors at the time of this report, including the results of the stress tests and scenario analyses, and having taken account of the liquidity of the investment portfolio, the Company's cash flow and borrowing position (see notes 8 and 15 for further details on borrowings), the Directors are satisfied that the Company has adequate financial resources to continue in operation for 12 months from the date of signing of these financial statements and that, accordingly, it is appropriate to adopt the going concern basis.

## Presentation of Statement of Comprehensive Income

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income.

### Income

Dividend income from investments is recognised when the Company's right to receive payment has been established, normally the ex-dividend date.

Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a capital gain in the Statement of Comprehensive Income.

Interest income is recognised in line with coupon terms on a time-apportioned basis using the effective interest method. Special dividends are credited to capital or revenue according to their circumstances.

### Foreign currency

The financial statements are prepared in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The primary objective of the Company is to generate returns in pounds sterling, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in sterling as the Company's performance is evaluated in that currency. Therefore, the Directors consider pounds sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions involving foreign currencies are converted at the exchange rate ruling at the date of the transaction. Foreign currency monetary assets and liabilities as well as instruments carried at fair value are translated into pounds sterling at the exchange rate ruling on the year-end date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

### Expenses

All expenses are accounted for on the accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses have been presented as revenue items except as follows:

- transaction costs which are incurred on the purchases or sales of investments designated as fair value through profit or loss are expensed to capital in the Statement of Comprehensive Income; and
- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and, accordingly, the investment management fee and finance costs have been allocated 40% to revenue and 60% to capital, in order to reflect the Directors' long-term view of the nature of the expected investment returns of the Company; this remains consistent with the prior year.

## 1. Principal Accounting Policies continued

### Taxation

The tax expense represents the sum of the current tax expense. The tax currently payable is based on the taxable profit for the year. The taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using a blended rate as applicable throughout the year.

In line with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the 'marginal basis'. Under this basis, if taxable income is capable of being entirely offset by expenses in the revenue column of the income statement, then no tax relief is transferred to the capital column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the enacted tax rate that is expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the revenue return of the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

- Investment trusts which have approval under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.
- Irrecoverable withholding tax is recognised on any overseas dividends on an accruals basis using the applicable rate for the country of origin.

### Financial instruments

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are measured at fair value through profit or loss if their contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest and at amortised cost if they do. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument. The Company will offset financial assets and financial liabilities if it has a legally enforceable right to offset the recognised amounts and interest and intends to settle on a net basis. A financial asset is derecognised when the right to receive cash flows from the asset expires or the rights to receive cash flows from the asset have been transferred and a financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

### Investments

Equity investments are held at fair value through profit or loss as they fail the contractual cash flows test under IFRS 9. Debt instruments that pass the contractual cash flow test are held under a business model to manage them on a fair value basis for investment income and fair value gains and are therefore classified as fair value through profit or loss.

Upon initial recognition, investments are measured at fair value. Gains or losses on investments measured at fair value through profit or loss are included in net profit or loss as a capital item and transaction costs on acquisition or disposal of investments are expensed. For investments that are actively traded in organised financial markets, fair value is determined by reference to stock exchange quoted market bid prices at the close of business on the year-end date.

All purchases and sales of investments are recognised on the trade date, i.e. the date that the Company commits to purchase or sell an asset.

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## **1. Principal Accounting Policies continued**

### **Financial liabilities and equity instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### **Interest bearing borrowings**

Interest bearing borrowings, being the debenture stock and loans issued by the Company, are initially recognised at a fair value equivalent to the proceeds received net of issue costs associated with the borrowings. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest rate method.

When calculating the NAV with debt at fair value the fair value of the private placement loans is determined using discounted cash flow techniques which utilise inputs including interest rates obtained from comparable loans in the market.

#### **Equity dividends payable**

Equity dividends payable are recognised when the shareholders' right to receive payment is established. For interim dividends this is when they are paid and for final dividends this is when they are approved by shareholders.

#### **Cash and cash equivalents**

Cash and cash equivalents (which are presented as a single class of asset on the Statement of Financial Position) comprise cash at bank and in hand, and deposits with an original maturity of three months or less.

The carrying value of these assets approximates their fair value.

#### **Reserves**

The share capital represents the nominal value of the Company's ordinary shares.

The share premium account represents the excess over nominal value of the fair value of consideration received for the Company's ordinary shares, net of expenses of the share issue. This reserve cannot be distributed.

The capital reserve represents realised and unrealised capital and exchange gains and losses on the disposal and revaluation of investments and of foreign currency items. 'Realised' gains include gains and losses resulting from changes in fair value, to the extent that they are readily convertible to cash. Realised gains can be distributed, unrealised gains cannot be distributed.

The revenue reserve represents retained profits from the income derived from holding investment assets less the costs and interest on cash balances associated with running the Company. This reserve can be distributed.

## **2. Significant Accounting Judgements, Estimates and Assumptions**

There are no significant judgements, estimates or assumptions involved in the presentation of the Company's accounts, other than the judgement on the functional and presentational currency of the Company as set out in the preceding note.

## **3. Adoption of New and Revised Standards New standards, interpretations and amendments adopted from 1 January 2025**

There are no new standards impacting the Company that have had a significant effect on the annual financial statements for the year ended 31 December 2025.

### **Standards issued but not yet effective**

IFRS 18 – Presentation and disclosure in financial statements (effective 1 January 2027). The IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

This standard is expected to result in material changes to the presentation of the primary financial statements and note disclosures, however, it is not expected to have a material impact on the Company.

4. Income	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Investment Income</b>						
UK dividends	28,140	–	28,140	24,718	–	24,718
Overseas dividends	16,616	–	16,616	13,917	–	13,917
Interest from fixed-interest securities	287	–	287	297	–	297
	<b>45,043</b>	<b>–</b>	<b>45,043</b>	<b>38,932</b>	<b>–</b>	<b>38,932</b>
<b>Other income</b>						
Deposit interest	11	–	11	49	–	49
<b>Total income</b>	<b>45,054</b>	<b>–</b>	<b>45,054</b>	<b>38,981</b>	<b>–</b>	<b>38,981</b>

During the year ended 31 December 2025, the Company received no special dividends (2024: £nil).

#### 5. Segmental Reporting

The Directors are of the opinion that the Company is engaged in a single segment of business being investment business.

6. Portfolio Management Fee	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Portfolio management fee	1,343	2,015	3,358	1,128	1,691	2,819
	<b>1,343</b>	<b>2,015</b>	<b>3,358</b>	<b>1,128</b>	<b>1,691</b>	<b>2,819</b>

Under the terms of the Portfolio Management Agreement, Redwheel is entitled to a management fee, details of which are set out in the Directors' Report on page 51. As at 31 December 2025, an amount of £937,000 (2024: £728,000) was payable to Redwheel in relation to the management fees.

7. Other Expenses	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Transaction costs on fair value through profit or loss assets <sup>1</sup>	–	947	947	–	386	386
Directors' fees (see Report on Directors' Remuneration beginning on page 60)	171	–	171	152	–	152
AIFM fee	414	622	1,036	333	499	832
Registrar's fee	112	–	112	159	–	159
Marketing costs	95	–	95	109	–	109
Auditor's remuneration – annual audit <sup>2</sup>	58	–	58	56	–	56
Depository fee	109	–	109	96	–	96
Other expenses	582	–	582	514	–	514
	<b>1,541</b>	<b>1,569</b>	<b>3,110</b>	<b>1,419</b>	<b>885</b>	<b>2,304</b>

All expenses are inclusive of VAT where applicable.

<sup>1</sup> Transaction costs represent costs incurred on both the purchase and sale of investments. Transaction costs on purchases amounted to £841,000 (2024: £349,000) and on sales amounted to £106,000 (2024: £37,000).

<sup>2</sup> During the year audit fees of £48,100 (2024: £46,500) (excluding VAT) were due to the Auditor.

8. Finance Costs	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
4.05% Private Placement Loan 2028	823	1,234	2,057	823	1,233	2,056
2.99% Private Placement Loan 2047	301	451	752	300	451	751
<b>Total finance costs</b>	<b>1,124</b>	<b>1,685</b>	<b>2,809</b>	<b>1,123</b>	<b>1,684</b>	<b>2,807</b>

The amortisation of the loan issue costs is calculated using the effective interest method.

Notes to the Financial Statements continued

9. Taxation The Company has no corporation tax liability for the year ended 31 December 2025 (2024: nil).	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Analysis of charge for the year:</b>						
Overseas withholding tax suffered	1,777	-	1,777	1,488	-	1,488
	<b>1,777</b>	<b>-</b>	<b>1,777</b>	<b>1,488</b>	<b>-</b>	<b>1,488</b>

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2025			2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Profit before taxation</b>	41,046	237,444	278,490	<b>35,311</b>	<b>105,723</b>	<b>141,034</b>
Tax at UK corporation tax rate of 25% (2024: 25%)	10,261	59,360	69,621	8,828	26,430	35,258
Tax effects of:						
Non-taxable gains on investments <sup>1</sup>	-	(60,678)	(60,678)	-	(27,496)	(27,496)
Disallowed expenses	-	237	237	-	96	96
Non-taxable UK dividends	(7,035)	-	(7,035)	(6,180)	-	(6,180)
Overseas withholding tax suffered	1,777	-	1,777	1,488	-	1,488
Non-taxable overseas dividends	(4,154)	-	(4,154)	(3,479)	-	(3,479)
Excess management expenses	928	1,081	2,009	831	970	1,801
<b>Total tax charge for the year</b>	<b>1,777</b>	<b>-</b>	<b>1,777</b>	<b>1,488</b>	<b>-</b>	<b>1,488</b>

<sup>1</sup> Investment trusts are not subject to corporation tax on these items.

No provision for deferred taxation has been made in the current year. The Company has not provided for deferred tax on capital profits arising on the revaluation of investments, as it is exempt from tax on these items because of its status as an investment trust company.

The Company has not recognised a deferred tax asset as at 31 December 2025 on the excess management expenses of £144,747,000 (2024: £137,227,000). The Company is not expected to generate sufficient taxable income in the near future periods in excess of the available deductible expenses and accordingly, the Company is unlikely to be able to reduce future tax liabilities through the use of existing surplus expenses.

10. Dividends	2025		2024	
	£'000		£'000	
<b>Amounts recognised as distributions to equity holders in the year</b>				
Fourth interim dividend for year ended 31 December 2024 of 3.0p per share (2024: Fourth interim dividend for year ended 31 December 2023 of 2.5p per share)	8,538		7,212	
Interim dividends for year ended 31 December 2025 of three payments of 3.75p per share (2024: One payment of 2.5p, one payment of 2.75p and one payment of 3.0p per share)	32,111		23,605	
	<b>40,649</b>		<b>30,817</b>	
Fourth interim dividend for the year ended 31 December 2025 of 3.75p (Fourth interim dividend 2024: 3.0p per share)	11,146		8,538	

The fourth interim dividend is not included as a liability in these financial statements.

Therefore, also set out below is the total dividend payable in respect of these financial years, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered.

	2025		2024	
	£'000		£'000	
Interim dividends (three)	32,111		23,605	
Fourth interim dividend for year ended 31 December 2025 of 3.75p (2024: 3.0p) per share	11,146		8,538	
	<b>43,257</b>		<b>32,143</b>	

11. Earnings per Share	2025			2024		
	Revenue	Capital	Total	Revenue	Capital	Total
<b>Basic and diluted</b>						
Profit for the year (£000's)	39,269	237,444	276,713	33,823	105,723	139,546
Weighted average number of ordinary shares	285,271,120			286,995,073		
<b>Earnings per ordinary share (pence)</b>	<b>13.8</b>	<b>83.2</b>	<b>97.0</b>	<b>11.8</b>	<b>36.8</b>	<b>48.6</b>

12. Investments (a) Investment portfolio summary	2025			2024		
	Quoted equities £'000	Debt securities £'000	Total £'000	Quoted equities £'000	Debt securities £'000	Total £'000
<b>Opening cost at the beginning of the year</b>	<b>764,962</b>	<b>4,203</b>	<b>769,165</b>	<b>733,313</b>	<b>13,652</b>	<b>746,965</b>
Opening unrealised appreciation/ (depreciation) at the beginning of the year	115,641	(1)	115,640	43,562	61	43,623
<b>Opening fair value at the beginning of the year</b>	<b>880,603</b>	<b>4,202</b>	<b>884,805</b>	<b>776,875</b>	<b>13,713</b>	<b>790,588</b>
Movements in the year:						
Purchases at cost	304,981	21,026	326,007	100,405	8,018	108,423
Sales proceeds	(314,262)	(10,794)	(325,056)	(106,870)	(17,447)	(124,317)
Realised gain/(loss) on sale of investments	89,819	3	89,822	38,114	(20)	38,094
Change in unrealised appreciation/(depreciation)	153,289	25	153,314	72,079	(62)	72,017
<b>Closing fair value at the end of the year</b>	<b>1,114,430</b>	<b>14,462</b>	<b>1,128,892</b>	<b>880,603</b>	<b>4,202</b>	<b>884,805</b>
Closing cost at the end of the year	845,500	14,438	859,938	764,962	4,203	769,165
Closing unrealised appreciation/ (depreciation) at the end of the year	268,930	24	268,954	115,641	(1)	115,640
<b>Closing fair value at the end of the year</b>	<b>1,114,430</b>	<b>14,462</b>	<b>1,128,892</b>	<b>880,603</b>	<b>4,202</b>	<b>884,805</b>

The Company received £325,056,000 (2024: £124,317,000) from investments sold in the year. The book cost of these investments when they were purchased was £235,234,000 (2024: £86,223,000). These investments have been revalued over time and until they were sold any gains/losses were included in the fair value of the investments.

#### (b) Fair value of financial instruments

IFRS 13 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following classifications:

- Level 1 – valued using quoted prices in active markets for identical investments.
- Level 2 – valued using other significant observable inputs (including quoted prices for similar investments, interest rates, prepayments, credit risk, etc). There are no level 2 financial assets (2024: £nil).
- Level 3 – valued using significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments). There are no level 3 financial assets (2024: £nil).

All of the Company's investments are in quoted securities actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date and have therefore been determined as Level 1.

There were no transfers between levels in the year (2024: no transfers) and as such no reconciliation between levels has been presented.

<b>13. Receivables</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Accrued income	3,355	1,424
Other receivables	979	635
	<b>4,334</b>	<b>2,059</b>

Accrued income includes dividends and fixed-interest income.

<b>14. Current Liabilities</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Accruals	1,998	1,711
Due to broker	–	1
	<b>1,998</b>	<b>1,712</b>

Accruals include the interest payable on borrowings amount to £800,000 (2024: £800,000).

<b>15. Borrowings</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest bearing borrowings</b>		
Amounts payable after more than one year:		
4.05% Private Placement Loan 2028 <sup>1</sup>	49,914	49,882
2.99% Private Placement Loan 2047 <sup>1</sup>	24,904	24,899
<b>Total</b>	<b>74,818</b>	<b>74,781</b>

	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Opening balance as per the Statement of Financial Position	74,781	74,744
Interest movement	(2,772)	(2,770)
Finance costs for the year as per the Statement of Comprehensive Income	2,809	2,807
<b>Closing balance as per the Statement of Financial Position</b>	<b>74,818</b>	<b>74,781</b>

The 4.05% Private Placement Loan is secured by a floating charge over the assets of the Company. The loan is repayable at par, £50,000,000, on 3 September 2028.

The 2.99% Private Placement Loan is secured by a floating charge over the assets of the Company. The loan is repayable at par, £25,000,000, on 24 October 2047.

See note 20 beginning on page 91, for the disclosure and fair value categorisation of the financial liabilities.

<sup>1</sup> The 4.05% and 2.99% Private Placement Loans contain the following principal financial or other covenants with which failure to comply could necessitate the early repayment of the loan. These were all complied with during the current and previous year:

- net tangible assets of at least £275 million;
- aggregate principal amount of financial indebtedness not to exceed 50% of net tangible assets;
- prior approval by the note holder of any change of Portfolio Manager; and
- prior approval by the note holder of any change in the Company's investment objective and policy.

<b>16. Ordinary Share Capital</b>	<b>2025 Number of shares</b>	<b>2024 Number of shares</b>
<b>As at 1 January</b>	<b>285,395,624</b>	<b>290,612,881</b>
Purchase of shares into treasury	(791,246)	(5,217,257)
Sale of shares from treasury	5,045,000	–
<b>As at year-end:</b>		
<b>In circulation</b>	<b>289,649,378</b>	<b>285,395,624</b>
In Treasury	44,714,447	48,968,201
Listed	334,363,825	334,363,825
<b>Nominal Value of 5p ordinary shares (£'000)</b>	<b>16,719</b>	<b>16,719</b>

During the year, the Company bought back ordinary shares at a cost of £2,171,000 (Year ended 31 December 2024: £12,708,000).

During the year, the Company reissued ordinary shares from treasury for £18,574,000 (Year ended 31 December 2024: £Nil).

#### **17. Contingent Liabilities And Capital Commitments**

As at 31 December 2025, there were no contingent liabilities or capital commitments for the Company (2024: £nil).

#### **18. Net asset value (“NAV”) per share**

The NAV per share is based on the net assets attributable to the equity shareholders of £1,069,192,000 (31 December 2024: £816,725,000) and 289,649,378 (31 December 2024: 285,395,624) shares being the number of shares in issue at the year-end.

The NAV per share with debt at fair value is based on the net assets attributable to the equity shareholders, adjusted for the difference between the debt at book value and fair value as shown in note 20 beginning on page 91, and the number of shares in issue at the year-end. Adjusting for debt at fair value resulted in an increase in net assets of £12,225,000 or 4.2p per share (31 December 2024: increase of £14,039,000 or 4.9p per share).

## 19. Related Party Transactions

The Board of Directors are defined as a related party. Under the FCA Listing Rules, the Manager is also defined as a related party. However, under the AIC SORP, in accordance with which these financial statements are prepared, the Manager is not considered to be a related party. Accordingly, the disclosure required are set out below:

**Directors** – The remuneration of the Directors is set out in the Report on Directors' Remuneration on pages 60 and 62. There were no contracts existing during or at the end of the year in which a Director of the Company is or was interested and which are or were significant in relation to the Company's business. There were no other material transactions during the year with the Directors of the Company. See page 62 for details of Directors' shareholdings.

At 31 December 2025, there was £nil (2024: £nil) payable to the Directors for fees and expenses.

## 20. Risk Management and Financial Instruments

The Company's investing activities undertaken in pursuit of its investment objective, as set out on page 2, involve certain inherent risks. The main financial risks arising from the Company's financial instruments are market price risk, interest rate risk, liquidity risk, credit risk and currency risk. The Board reviews and agrees policies for managing each of these risks as summarised below. The Board has also established a series of investment parameters, which are reviewed annually, designed to limit the risk inherent in managing a portfolio of investments. These policies have remained substantially unchanged during the current and preceding periods. The Board meets on four scheduled occasions in each year and at each meeting it receives sufficient financial and statistical information to enable it to monitor adequately the investment performance and status of the business.

### Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The Company's borrowings have the effect of increasing the market risk faced by shareholders.

### Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments or interest income cash flows that arise as a result of fluctuations in interest rates. The Company finances its operations through retained profits including capital profits, and additional financing is obtained through the two Private Placement Loans, on both of which interest is paid at a fixed rate and therefore subject to fair value interest rate risk.

### Cash flow interest rate risk

The majority of the Company's financial assets are equity shares and other investments which neither pay interest nor have a maturity date. The Company's fixed-interest holdings have a market value of £14,462,000, representing 1.35% of net assets (2024: £4,202,000; 0.51%). The weighted average running yield as at 31 December 2025 was 1.5% (2024: 5.0%) and the weighted average remaining life was 0.6 years (2024: 0.5 years). The Company's cash balance of £12,782,000 (2024: £6,354,000) earns interest, calculated on a tiered basis, depending on the balance held, by reference to the base rate. Cashflow interest rate risk is not considered a significant risk to the Company.

### Fair value interest rate risk

The Company is exposed to fair value interest rate risk through its fixed-rate borrowings and its investments in debt securities. The 4.05% Private Placement Loan and the 2.99% Private Placement Loan, which are repayable in 2028 and 2047 respectively, pay interest at fixed rates. The weighted average period until maturity of the loans is 9 years (2024: 10 years) and the weighted average interest rate payable is 3.7% (2024: 3.7%) per annum. The fair value of the loans will vary with changes in interest rates. As interest rates increase the fair value of the loan liability is expected to decrease, while when interest rates decrease the fair value of the loan liability is expected to increase. In addition, the Company's investments in fixed-rate gilts are also measured at fair value and are subject to interest rate risk. The fair value of the borrowings and the debt investments, are used for disclosure purposes only in the Annual Report, and therefore this risk will not impact the measurement of the financial statements.

### Liquidity risk

The Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of cash balances and short-term bank deposits.

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This is mitigated by the Portfolio Manager reviewing the credit ratings of broker counterparties. The Company's Custodian is responsible for the collection of income on behalf of the Company. Cash is held either with reputable banks with high quality external credit ratings or in liquidity/cash funds providing a spread of exposures to various underlying banks in order to diversify risk. The carrying amounts of financial assets represent their maximum exposure to credit risk at the Statement of Financial Position date, and the main exposure to credit risk is via the Custodian which is responsible for the safeguarding of the Company's investments and cash balances. The full portfolio can be found on pages 28 and 29. The debt security held at the year-end has a credit rating of AA (2024: AA).

### Currency risk

The income and capital value of the Company's investments and liabilities can be affected by exchange rate movements as some of the Company's assets and income are denominated in currencies other than Pounds Sterling, which is the Company's reporting currency. The Company does not currently hedge its currency exposure. The key areas where foreign currency risk could have an impact on the Company are:

- movements in rates that would affect the value of investments; and
- movements in rates that would affect the income received.

Notes to the Financial Statements continued

The Company had the following currency exposures, all of which are included in the Statement of Financial Position based on the exchange rates ruling at the respective year ends. Exposures vary throughout the year as a consequence of changes in the composition of the net assets of the Company arising out of the investment and risk-management processes.

	2025					
	Investments £'000	Cash £'000	Receivables £'000	Payables £'000	Borrowings £'000	Total £'000
Euro	132,437	–	446	–	–	132,883
US Dollar	65,401	–	486	–	–	65,887
Hong Kong Dollar	18,404	–	–	–	–	18,404
Japanese Yen	17,462	–	–	–	–	17,462
South Korean Won	51,679	–	–	–	–	51,679
Pounds Sterling	843,509	12,782	3,402	(1,998)	(74,818)	782,877
	<b>1,128,892</b>	<b>12,782</b>	<b>4,334</b>	<b>(1,998)</b>	<b>(74,818)</b>	<b>1,069,192</b>

	2024					
	Investments £'000	Cash £'000	Receivables £'000	Payables £'000	Borrowings £'000	Total £'000
Euro	118,002	–	–	–	–	118,002
US Dollar	43,033	–	200	–	–	43,233
Canadian Dollar	8,587	–	–	–	–	8,587
Hong Kong Dollar	10,554	–	–	–	–	10,554
Japanese Yen	13,992	–	–	–	–	13,992
Pounds Sterling	690,637	6,354	1,859	(1,712)	(74,781)	622,357
	<b>884,805</b>	<b>6,354</b>	<b>2,059</b>	<b>(1,712)</b>	<b>(74,781)</b>	<b>816,725</b>

Foreign currency sensitivity	2025		2024	
	£'000	£'000	£'000	£'000
<b>Projected movement</b>	<b>+10%</b>	<b>-10%</b>	<b>+10%</b>	<b>-10%</b>
Effect on net assets for the year	(26,029)	31,813	(17,851)	21,374

## 20. Risk Management and Financial Instruments continued

### Other price risk exposure

If the investment valuation fell by 20% at 31 December 2025, the impact on the profit or loss and net assets would have been negative £225.8 million (2024: 20% negative £177.0million). If the investment portfolio valuation rose by 20% at 31 December 2025, the impact on the profit or loss and net assets would have been positive £225.8 million (2024: 20% positive £177.0 million). The calculations are based on the portfolio valuation as at the respective year-end dates.

The Company held the following categories of financial instruments, all of which are included in the Statement of Financial Position at fair value or amortised cost which is an approximation of fair value, with the exception of interest-bearing borrowings which are shown at amortised cost at 31 December.

	2025		2024	
	Amortised cost £'000	Fair value £'000	Amortised cost £'000	Fair value £'000
<b>Assets at fair value through profit or loss</b>	–	1,128,892	–	884,805
<b>Cash</b>	12,782	12,782	6,354	6,354
<b>Receivables and Payables</b>				
Investment income receivable	3,355	3,355	1,424	1,424
Other receivables	979	979	635	635
Payables	(1,998)	(1,998)	(1,712)	(1,712)
<b>Interest-bearing borrowings:</b>				
4.05% Private Placement Loan	(49,914)	(48,382)	(49,882)	(46,830)
2.99% Private Placement Loan	(24,904)	(14,211)	(24,899)	(13,912)

The 4.05% Private Placement Loan 2028 and the 2.99% Private Placement Loan 2047 do not have prices quoted on an active market, however their fair values have been calculated using observable inputs. As such they have been classified as Level 2 instruments (2024: Level 2).

### Liquidity risk exposure

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Contractual maturities of the financial liabilities at the year-end, including future interest payments not yet accrued for, based on the earliest date on which payment can be required, are as follows:

	2025					Total £'000
	Three months or less £'000	Not more than one year £'000	More than one year but not more than two years £'000	More than two years but not more than three years £'000	More than three years £'000	
Loan Interest due	1,012	1,760	2,772	2,772	14,203	22,519
Loan principle	–	–	–	50,000	25,000	75,000
Accruals	1,198	–	–	–	–	1,198

	2024					Total £'000
	Three months or less £'000	Not more than one year £'000	More than one year but not more than two years £'000	More than two years but not more than three years £'000	More than Total £'000	
Loan Interest due	1,012	1,760	2,772	2,772	16,975	25,291
Loan principle	–	–	–	–	75,000	75,000
Accruals	912	–	–	–	–	912

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### **Capital management policies and procedures**

The Company's capital management objectives are to ensure that it will be able to continue as a going concern, and to provide long-term growth in revenue and capital, principally by investment in UK securities. There have been no changes in the Company's objectives, policies and processes for managing capital from the prior year.

The Company's capital is its equity share capital and reserves that are shown in the Statement of Financial Position and fixed-term loans (see note 15) at a gross total of £1,144,010 (2024: £891,506,000).

The Company is subject to several externally imposed capital requirements:

- as a public Company, the Company has a minimum share capital of £50,000;
- in order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law; and
- the Note Purchase Agreements governing the terms of the Private Placement Loans also contain certain financial covenants as set out in note 8. These are measured in accordance with the policies used in the Annual Report & Financial Statements.

The Company has complied with all of the above requirements during the current and prior year.

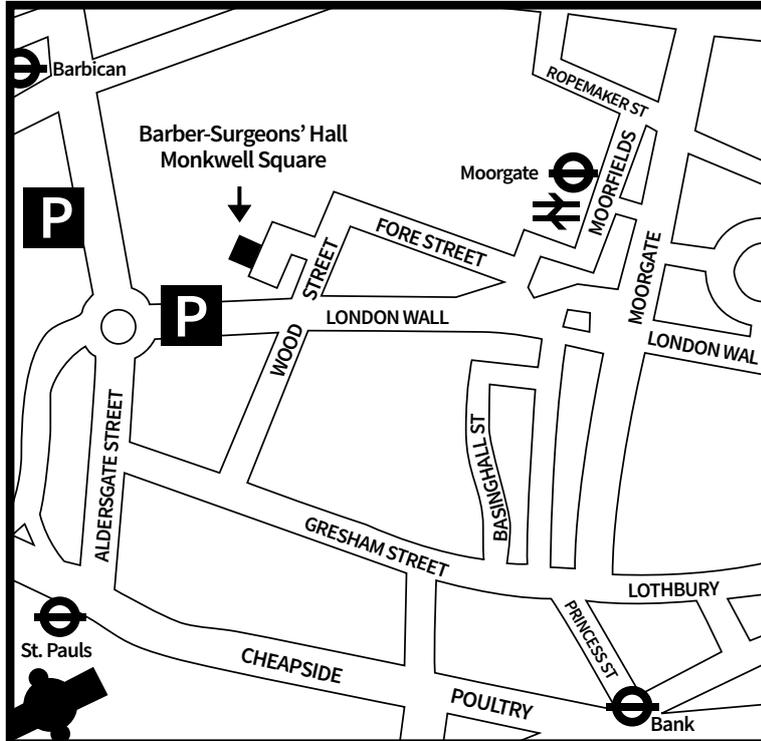
### **21. Post Balance Sheet Events**

Subsequent to the year-end and up to 18 March 2026, the Company issued 8,070,000 ordinary shares for treasury, raising of £31.5m, representing 2.8% of the issued share capital as at 31 December 2025.

On 10 February 2026, the Board approved a fourth interim dividend for the year ended 31 December 2025, of 3.75p per ordinary share payable on 2 April 2026.

# Shareholder Information

# Notice of Annual General Meeting



## **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you take you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

If you have sold or otherwise transferred all of your ordinary shares in Temple Bar Investment Trust Plc, please forward this document and the accompanying form of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is being effected for delivery to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the 100th Annual General Meeting (“AGM”) of Temple Bar Investment Trust Plc will be held at Barber-Surgeons’ Hall, Monkwell Square, Wood Street, Barbican, London EC2Y 5BL on Tuesday, 5 May 2026 at 11.30 am for the purpose of considering and, if thought fit, passing the resolutions below.

## **ORDINARY RESOLUTIONS**

1. To approve the Company’s Annual Report & Financial Statements for the year ended 31 December 2025 (together with the reports of the Directors and Auditor therein).
2. To approve the Report on Directors’ Remuneration for the year ended 31 December 2025.
3. To approve the Company’s Remuneration Policy.
4. To re-elect Mrs Carolyn Sims as a Director of the Company.
5. To re-elect Mr Charles Cade as a Director of the Company.
6. To re-elect Dr Shefaly Yogendra as a Director of the Company.
7. To elect Mr Nick Bannerman as a Director of the Company.
8. To elect Ms Wendy Colquhoun as a Director of the Company.
9. To re-appoint BDO LLP as the Auditor to the Company, to hold office from the conclusion of this meeting until the conclusion of the next meeting at which financial statements are laid before the Company.
10. To authorise the Audit and Risk Committee to determine the remuneration of the Auditor.
11. To approve the Company’s dividend policy, authorising the Directors of the Company to declare and pay all dividends of the Company as interim dividends, and for the last dividend referable to a financial year not to be categorised as a final dividend that is subject to shareholder approval.
12. That, in substitution of all existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the “Companies Act”) to allot ordinary shares in the Company or grant rights to subscribe for or to convert any security into ordinary shares in the Company (“Rights”) up to an aggregate maximum nominal amount of £1,488,597, being 10% of the issued share capital of the Company as at 18 March 2026 and representing 29,771,937 ordinary shares in the capital of the Company (or if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), such authority to expire at the conclusion of the AGM of the Company to be held in 2027 (unless previously renewed, varied, revoked or extended by the Company in general meeting), save that the Company may, before such expiry, make offers or agreements which would or might require ordinary shares to be allotted after such expiry, and the Directors may allot ordinary shares in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.

13. That, subject to the passing of Resolution 12, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Companies Act”) to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (‘Rights’) up to a further aggregate maximum nominal amount of £ 1,488,597, being 10% of the issued share capital of the Company as at 18 March 2026 and representing 29,771,937 ordinary shares in the capital of the Company (or if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), such authority to expire at the conclusion of the AGM of the Company to be held in 2027 (unless previously renewed, varied, revoked or extended by the Company in general meeting), save that the Company may, before such expiry, make offers or agreements which would or might require ordinary shares to be allotted after such expiry, and the Directors may allot ordinary shares in pursuance of such offers or agreements as if the authority conferred by this resolution had not expired.
14. That Article 100 of the Articles of Association of the Company, concerning the limit on the annual aggregate fees payable to the Directors, be amended by substituting “£350,000” for “£250,000”.

#### SPECIAL RESOLUTIONS

15. That, subject to the passing of resolution 12 set out above, the Directors be and they are hereby generally empowered pursuant to Sections 570 and 573 of the Companies Act to allot equity securities (as defined in Section 560 of the Companies Act) for cash, including for the avoidance of doubt, the sale of shares held by the Company as treasury shares, in accordance with the authority conferred on the Directors by resolution 12, as if Section 561 of the Companies Act did not apply to the allotment or sale, up to an aggregate nominal amount of £1,488,597 (being 10% of the issued ordinary share capital of the Company at 18 March 2026), (or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), such power to expire at the conclusion of the AGM of the Company to be held in 2027 (unless previously renewed, varied, revoked or extended by the Company in general meeting) save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell ordinary shares from treasury in pursuance of such an offer or agreement as if such power had not expired.
16. That, subject to the passing of resolution 13 set out above, the Directors be and they are hereby generally empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the “Companies Act”) to allot equity securities (as defined in Section 560 of the Companies Act) for cash, including for the avoidance of doubt, the sale of shares held by the Company as treasury shares, in accordance with the authority conferred on the Directors by resolution 13, as if Section 561 of the Companies Act did not apply to the allotment or sale, up to a further aggregate nominal amount of £1,488,597 (being 10% of the issued ordinary share capital of the Company at 18 March 2026), (or, if changed, the number representing 10% of the issued share capital of the Company at the date at which this resolution is passed), such power to expire at the conclusion of the AGM of the Company to be held in 2027 (unless previously renewed, varied, revoked or extended by the Company in general meeting) save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require ordinary shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell ordinary shares from treasury in pursuance of such an offer or agreement as if such power had not expired. This resolution is in addition to the authority granted pursuant to, but without prejudice to that granted to, the Directors in Resolution 15 above.
17. That, the Company generally be and is hereby authorised for the purpose of Section 701 of the Companies Act to make market purchases (as defined in Section 693 of the Companies Act) of its ordinary shares in issue, either for retention as treasury shares for future reissue, resale, transfer or cancellation provided that:
  - i) the maximum number of ordinary shares hereby authorised to be purchased is 14.99% of the issued share capital of the Company as at the date of the passing of this resolution;
  - ii) the minimum price (exclusive of expenses payable by the Company) which may be paid for such ordinary shares is the nominal value per share;
  - iii) the maximum price (exclusive of expenses payable by the Company) which may be paid for such ordinary shares shall be the higher of:
    - i) an amount equal to 105% of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the ordinary shares are purchased; and
    - ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out.

This authority shall expire at the conclusion of the AGM of the Company to be held in 2027 (unless previously revoked, varied, renewed or extended by the Company in general meeting) save that the Company may, before such expiry, enter into a contract to purchase shares which will or may be executed wholly or partly after the expiry of such authority.

18. That a general meeting, other than an annual general meeting, may be called on not less than 14 clear days’ notice.

By order of the Board  
**Frostrow Capital LLP**

19 March 2026

Registered Office:  
25 Southampton  
Buildings  
London  
WC2A 1AL

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## NOTES

### 1. Entitlement to attend and vote

Members who hold ordinary shares in the Company in uncertificated form must have been entered on the Company's register of members by 6.30pm on Thursday, 30 April 2026 in order to be able to attend and vote at the meeting, or if the meeting is adjourned, 6.30pm on the day two business days before the time fixed for the adjourned meeting. Such members may only vote at the meeting in respect of ordinary shares held at the time.

### 2. Proxies

A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend the meeting to speak and vote on a show of hands and, on a poll, to vote instead of them. A proxy need not be a member of the Company. A member wishing to appoint more than one proxy must appoint each proxy in respect of a specified number of shares within their holding. For this purpose, a member may photocopy the enclosed form of proxy before completion and must indicate the number of shares in respect of which each proxy is appointed.

Instruments of proxy should be sent to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive no later than 11.30 am on Thursday, 30 April 2026. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting should they wish to do so.

It is possible for you to submit your proxy votes online by going to Equiniti's Shareview website, [www.shareview.co.uk](http://www.shareview.co.uk), and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investments' page and then click on the link to vote and follow the on-screen instructions. If you have not yet registered for a Shareview Portfolio, go to [www.shareview.co.uk](http://www.shareview.co.uk) and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes.

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The CREST message must be transmitted so as to be received by the issuer's agent (ID RA19) by not later than 48 hours (excluding non-working days) before the time appointed for the holding of the meeting or the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST message by the CREST Applications Host) from which the issuer's agent is able to retrieve the CREST message by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service provider(s), should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member(s) is/are a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) is/are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

### 3. Proximity

If you are an institutional investor you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). Your proxy must be lodged by 11.30 am on Thursday, 30 April 2026 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

### 4. Corporate representatives

A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Companies Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

#### 5. Nominated persons

In accordance with Section 325 of the Companies Act, the right to appoint proxies does not apply to persons nominated to receive information rights under Section 146 of the Companies Act. Persons nominated to receive information rights under Section 146 of the Companies Act who have been sent a copy of this Notice are hereby informed, in accordance with Section 149 (2) of the Companies Act, that they may have a right under an agreement with the registered member by whom they were nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have no such right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights. Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements.

#### 6. Joint holders

In the case of joint holders, the signature of only one of the joint holders is required on the proxy form and, where more than one joint holder has signed the proxy form or where more than one joint holder purports to appoint a proxy, only the signature of, or the appointment submitted by the most senior holder will be accepted to the exclusion of the other joint holders. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

#### 7. Members' requests under Section 527 of the Companies Act

Under Section 527 of the Companies Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the AGM for the financial year ended 31 December 2025; or (ii) any circumstance connected with an Auditor of the Company appointed for the financial year ended 31 December 2025 ceasing to hold office since the previous meeting at which annual accounts and reports were laid. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the Companies Act. Where the Company is required to place a statement on a website under Section 527 of the Companies Act, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act to publish on a website.

#### 8. Members' rights to ask questions

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

#### 9. Members' rights under Sections 338 and 338A of the Companies Act

Shareholders meeting the threshold under Sections 338 and 338A of the Companies Act can instruct the Company: (i) to give shareholders (entitled to receive notice of the AGM) notice of a resolution which may properly be proposed and is intended to be proposed at the AGM; and/or (ii) to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be proposed or a matter may properly be included in the business unless: (a) (in the case of a resolution only) it would, if passed, be ineffective; (b) it is defamatory of any person; or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 24 March 2026, being the date six weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

#### 10. Total number of shares and voting rights

As at 18 March 2026, the latest practicable date prior to publication of this Notice, the Company had 334,363,825 ordinary shares in issue, with a total of 297,719,378 voting rights. 36,644,447 shares were held in treasury.

#### 11. Website

In accordance with Section 311A of the Companies Act, the contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website at: [www.templebarinvestments.co.uk](http://www.templebarinvestments.co.uk).

#### 12. Documents available for inspection

Copies of letters of appointment between the Company and the Non-Executive Directors may be inspected during usual business hours on any weekday (public holidays excepted) at the registered office of the Company from the date of this Notice until the date of the AGM and at the place of the Meeting from 11.15 am until the Meeting's conclusion. Any shareholders wishing to inspect the documents are requested to contact the Company Secretary by email at [cosec@frostrow.com](mailto:cosec@frostrow.com) in advance of any visit to ensure that appropriate arrangements can be made and access can be arranged.

# Useful Information for Shareholders

## Annual General Meeting 5 May 2026

Dividend Dates
<b>April 2026</b> Payment of fourth interim dividend year ended 31 December 2025
<b>June 2026</b> Payment of first interim dividend year ending 31 December 2026
<b>September 2026</b> Payment of second interim dividend year ending 31 December 2026
<b>December 2026</b> Payment of third interim dividend year ending 31 December 2026

### Payment of Dividends

Cash dividends will be sent by cheque to the first-named shareholder on the Register at his or her registered address together with a tax voucher. At shareholders' request, dividends may instead be paid direct into the shareholder's bank account through the Bankers' Automated Clearing System ('BACS'). This may be arranged by contacting the Company's Registrar on 0371 384 2432.

### Price and Performance Information

The Company's ordinary shares are traded on the London Stock Exchange. The market price of the ordinary shares is shown daily in the Financial Times, other leading newspapers and on the Company's website.

### Share Register Enquiries

The Company's Registrar, Equiniti, maintains the share register. In the event of queries regarding your holding, please contact the Registrar on 0371 384 2432. Lines are open from 8.30am to 5.30pm Monday to Friday. Changes of name or address must be notified in writing to the Registrar.

### Tax Information Exchange

Local laws may require Temple Bar to disclose investor holding and income data to UK and other tax authorities. This will only happen where required by law.

### AIC

The Company is a member of the AIC, which produces monthly publications of detailed information on the majority of investment trusts.

### Temple Bar Website

The Company's website can be found at [www.templebarinvestments.co.uk](http://www.templebarinvestments.co.uk) and includes useful background information on the Company, together with helpful downloads of published documentation such as previous annual and half-yearly reports.

## Where to Buy Temple Bar Shares

### 1. Via a third-party provider

Third party providers include:

AJ Bell Youinvest  
[www.youinvest.co.uk](http://www.youinvest.co.uk)

Barclays Smart Investor  
[www.smartinvestor.barclays.co.uk](http://www.smartinvestor.barclays.co.uk)

Bestinvest  
[www.bestinvest.co.uk](http://www.bestinvest.co.uk)

Charles Stanley Direct  
[www.charles-stanley-direct.co.uk](http://www.charles-stanley-direct.co.uk)

Halifax Share Dealing  
[www.halifaxsharedealing-online.co.uk](http://www.halifaxsharedealing-online.co.uk)

Hargreaves Lansdown  
[www.hl.co.uk](http://www.hl.co.uk)

HSBC  
[www.hsbc.co.uk/investments](http://www.hsbc.co.uk/investments)

iDealing  
[www.idealing.com](http://www.idealing.com)

Interactive Investor  
[www.ii.co.uk](http://www.ii.co.uk)

IWEB  
[www.iweb-sharedealing.co.uk/share-dealing-home.asp](http://www.iweb-sharedealing.co.uk/share-dealing-home.asp)

Please note this list is not exhaustive and the availability of Temple Bar may vary depending on the provider. These websites are third-party sites and Temple Bar does not endorse or recommend any. Please consult each site's privacy and cookie policies as well as their platform charges structure.

The Board encourages all shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability to continue to receive Company documentation, to vote their shares and to attend general meetings, at no cost. Please refer to your investment platform for more details, or visit the AIC's website at [www.theaic.co.uk/aic/shareholder-votingconsumer-platforms](http://www.theaic.co.uk/aic/shareholder-votingconsumer-platforms) for information on which platforms support these services and how to utilise them.

### 2. Through a professional adviser

Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead. You can find an adviser at [www.unbiased.co.uk](http://www.unbiased.co.uk)

You may also buy investment trusts through stockbrokers, wealth managers and banks.

To familiarise yourself with the FCA adviser charging and commission rules, visit [www.fca.org.uk](http://www.fca.org.uk).

# Corporate Information

## Directors

Charles Cade – Chair  
Carolyn Sims – Chair of the Audit and Risk Committee  
Dr. Shefaly Yogendra – Senior Independent Director and Chair of the Nomination Committee  
Nick Bannerman  
Wendy Colquhoun – Chair of the Management Engagement Committee

## Registered Office

25 Southampton Buildings  
London WC2A 1AL

## Company Registration Number

00214601 (Registered in England)

## Website

[www.templebarinvestments.co.uk](http://www.templebarinvestments.co.uk)



SCAN ME

## Portfolio Manager

RWC Asset Management LLP  
Verde 4th Floor  
10 Bressenden Place  
London SW1E 5DH  
Telephone: 0207 227 6000  
Website: [www.redwheel.com](http://www.redwheel.com)

Authorised and regulated by the Financial Conduct Authority.

## AIFM, Administrator and Company Secretary

Frostrow Capital LLP  
25 Southampton Buildings  
London WC2A 1AL  
Telephone: 0203 008 4910  
Email: [TMPL@frostrow.com](mailto:TMPL@frostrow.com)  
Website: [www.frostrow.com](http://www.frostrow.com)

Authorised and regulated by the Financial Conduct Authority.

If you have an enquiry about the Company, please contact Frostrow using the above email address.

**Temple Bar Identifiers**  
ISIN (ordinary shares) – GB00BMV92D64  
SEDOL (ordinary shares) – BMV92D6  
Legal Entity Identifier – 213800O8EAP4SG5JD323  
Bloomberg: TMPL: LN

**Registered number**  
Registered in England Number 00214601

## Depository, Bankers and Custodian

The Bank of New York Mellon (International) Limited  
One Canada Square  
London E14 5AL

## Independent Auditor

BDO LLP  
55 Baker Street  
London W1U 7EU

## Registrar

Equiniti Limited  
Highdown House  
Yeoman Way  
Worthing  
West Sussex BN99 3HH

Shareholder Helpline: +44 (0) 371 384 2432\*

Website: [www.shareview.co.uk](http://www.shareview.co.uk)

For deaf and speech impaired customers, we welcome calls via Relay UK. Please see [www.relayuk.bt.com](http://www.relayuk.bt.com) for more information.

\* Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales).

Notifications of changes of address and enquiries regarding share certificates or dividend cheques should be made in writing to the Registrars quoting your shareholder reference number.

Registered shareholders can obtain further details of their holdings on the internet by visiting [www.shareview.co.uk](http://www.shareview.co.uk)



# Glossary of Terms

## Alternative performance measure (“APM”)

An APM is a numerical measure of the Company’s current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework. In selecting these APM’s, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company.

## Discount or Premium of share price to NAV per share\*

A description of the difference between the share price and the net asset value per share. The size of the discount or premium is calculated by subtracting the share price from the net asset value per share and is usually expressed as a percentage (%) of the net asset value per share. If the share price is higher than the net asset value per share the result is a premium. If the share price is lower than the net asset value per share, the shares are trading at a discount.

## Fixed Interest

Fixed-interest securities, also known as bonds, are loans usually taken out by a government or company which normally pay a fixed rate of interest over a given time period, at the end of which the loan is repaid.

## FTSE All-Share Index

A comparative index that tracks the market price of the UK’s leading companies listed on the London Stock Exchange. Covering around 600 companies, including investment trusts, the name FTSE is taken from the Financial Times and the London Stock Exchange, who are its joint owners.

## FTSE 350 Index

A comparative index that tracks the market price of the UK’s 350 largest companies, by market value, listed on the London Stock Exchange.

## Gilts

A bond that is issued by the British government which is generally considered low risk.

## Gross Gearing

Total assets divided by shareholders funds expressed as a percentage.

## Liquidity

The ease with which an asset can be purchased or sold at a reasonable price for cash.

## Market Capitalisation

The total value of a company’s equity, calculated by the number of shares multiplied by their market price.

## NAV (‘Net Asset Value’) per Share

The value of total assets less liabilities, with debenture and loan stocks at book value. Book value is the amount borrowed less the current loan arrangement fee debtor still to be expensed. The NAV per share is calculated by dividing this amount by the number of ordinary shares outstanding.

## NAV per Share with debt at fair value\*

The value of total assets less liabilities, with the loans at fair value. The NAV per share with debt at fair value is calculated by dividing this amount by the number of ordinary shares outstanding.

## Net asset value (NAV) per share total return with debt at fair value\*

The theoretical total return on shareholders’ funds per share, reflecting the change in NAV with debt at fair value assuming that dividends paid to shareholders were reinvested at NAV with debt at fair value at the time the shares were quoted ex-dividend. A way of measuring performance which is not affected by movements in discounts/premiums.

	Year to 31 December 2025 (p)	Year to 31 December 2024 (p)
Opening NAV with debt at fair value	291.1	252.2
Increase/(decrease) in NAV	97.2	49.0
Less dividends paid	(14.25)	(10.75)
Adjustment for movement in fair value of debt	(0.70)	0.7
<b>Closing NAV with debt at fair value</b>	<b>373.4</b>	<b>291.1</b>
% increase in NAV with debt at fair value	33.2%	19.7%
Impact of reinvesting dividends	0.7%	0.2%
<b>NAV total return with debt at fair value</b>	<b>33.9%</b>	<b>19.9%</b>

## Net Gearing

Total assets (less cash and cash equivalents) divided by shareholders’ funds expressed as a percentage.

## Ongoing Charges\*

Ongoing charges are calculated on an annualised basis. This figure excludes any portfolio transaction costs and may vary from period to period. The calculation below is in line with AIC guidelines.

	Year to 31 December 2025 (p)	Year to 31 December 2024 (p)
Investment management fee	3,358	2,819
Other expenses (excluding transaction costs)	2,163	1,918
Less: one off legal and professional fees	(54)	–
<b>Total</b> (a)	<b>5,467</b>	<b>4,737</b>
Average cum income net asset value throughout the period	(b) 928,228	780,321
<b>Ongoing charges (c=a/b)</b> (c)	<b>0.59%</b>	<b>0.61%</b>

\* Alternative Performance Measure.

### Portfolio Turnover

The portfolio turnover rate measures the Company's trading activity. It is calculated by taking the lower of investment purchases and sales and dividing by the average gross asset value (net assets with debt added back) of the Company. It is expressed as a % and the lower the % the lower the turnover. For example a turnover rate of 25% would suggest that the fund holds stocks for four years on average, while a 50% turnover rate would suggest a two year holding period.

Transactions in gilts are excluded from the investment purchases and sales for the purposes of calculating the turnover rate.

### Share Price Total Return\*

Return to the investor on mid-market prices assuming that all dividends paid were reinvested at the share price at the time the shares were quoted ex-dividend.

	Year to 31 December 2025 (p)	Year to 31 December 2024 (p)
Opening share price	272.0	238.0
Increase in share price	120.8	44.8
Less: dividends paid	(14.25)	(10.75)
<b>Closing share price</b>	<b>378.50</b>	<b>272.0</b>
<b>% increase in share price</b>	<b>44.4%</b>	<b>18.8%</b>
Impact of reinvesting dividends	0.9%	0.3%
<b>Share price total return</b>	<b>45.3%</b>	<b>19.1%</b>

### Value Investing

An investment strategy that aims to identify undervalued yet good quality companies with strong cash flows and robust balance sheets, putting an emphasis on financial strength.

### Dividend Yield\*

A measure of the income return earned on an investment. In the case of a share the yield expresses the annual dividend payment as the percentage of the market price of the share.

\* Alternative Performance Measure.



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