

## Trust Facts

**Launch date:** 1926

**Wind-up date:** None

**Year end:**  
31 December

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

**AGM:**  
March

**Benchmark:**  
FTSE All-Share

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

**Capital Structure:**

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

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

**Charges:**  
**Ongoing charge:** 0.48%\* (31.12.14)  
\*Includes a management fee of 0.35%

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

**Auditors:** Ernst & Young LLP

**Investment Manager:**  
Investec Fund Managers Ltd

**Registrars:** Equiniti Ltd

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

**Secretary:**  
Investec Asset Management Ltd

**Stockbrokers:** JPMorgan Cazenove

**Depository & Custodian:** HSBC Bank Plc

## Trust Objective

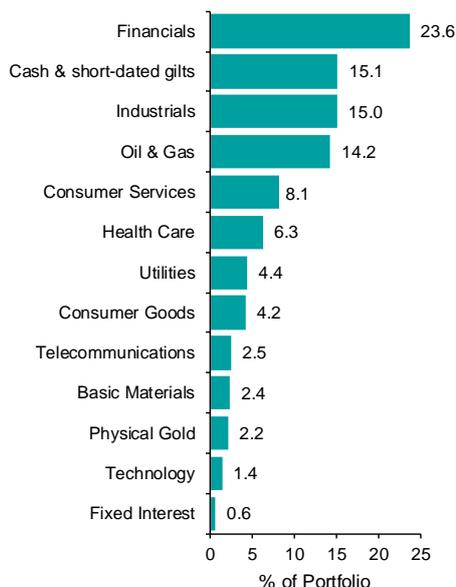
To provide growth in income and capital to achieve a long term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK securities. The Company's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the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

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

HSBC Holdings Plc	8.0
Royal Dutch Shell Plc Class B	6.7
GlaxoSmithKline Plc	6.3
BP Plc	6.2
Grafton Group Plc	4.9
Lloyds Banking Group Plc	3.9
Royal Bank of Scotland Group Plc	3.8
British American Tobacco Plc	3.2
Direct Line Insurance Group Plc	2.7
BT Group Plc	2.4
<b>Total</b>	<b>48.1</b>

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

## Sector Analysis



## Financial Data

Total Assets (£m)	936.9
Share price (p)	1212.0
NAV (p) (ex income, debt at market value)	1238.6
Premium/(Discount), ex income (%)	-2.1
NAV (p) (cum income, debt at market value)	1260.8
Premium/(Discount), cum income (%)	-3.9
Historic net yield (%)*	3.2

\*Due to the change in dividend policy, yield calculation is based on the dividend of 38.88p paid in the last financial year. Please refer to the note under 'Dividend History'.

## Dividend History

Type	Amount (p)	XD date	Pay date
Interim	15.55	10-Sep-14	30-Sep-14
Final	23.33	12-Mar-15	31-Mar-15
1st interim*	7.93	11-Jun-15	30-Jun-15

\*Please note that the Trust is now paying dividends on a quarterly basis. It is the Board's intention that the sum of the first two interim dividends for the current financial year will be no less than the half-yearly dividend of 15.55p paid in the prior year. In addition, the Board will seek to maintain its long standing record of increasing the dividend for the year as a whole over the previous year.

## Performance

### Share Price % change

	Trust	FTSE All-Share <sup>2</sup>
1 month	2.3	1.0
3 months	2.3	1.4
1 year	-3.2	3.9
3 years	42.4	37.2
5 years	57.8	42.0

<sup>2</sup> Capital return only

### NAV total return % change

	Trust	FTSE All-Share <sup>3</sup>
1 month	0.8	1.4
3 months	3.4	2.7
1 year	5.2	7.5
3 years	64.0	52.2
5 years	92.1	68.6

<sup>3</sup> Total return

Performance, Price and Yield information is sourced from Morningstar as at 31.05.15.

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

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

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

## Manager's Commentary

Many years ago in a desperate attempt to broaden my education, my mum dragged me along to the National Gallery. Apparently my interest was piqued (and peaked) at the collection box for donations, with its eclectic mix of international currencies. Forty years later I felt it was time to revisit accompanied by my daughter, who I am pleased to report was rather more open minded about the experience than her dad was at a similar age. A colleague had suggested the journey, not because he had seen through the superficial impression I give of having no cultural depth. Instead, he thought, correctly, that the 'Investing Impressionism' exhibition might tickle my contrarian instincts.

In the 19th century, popular art was limited to serious pictures of serious subjects painted in dark colours. Artists not painting to these directions found themselves side-lined as they were not selected for the state-run, jury selected Salon, the world's biggest art exhibition. Not surprisingly, certain artists objected to these rules and rebelled. However, rebellion did not pay well and was certainly not respected. The likes of Renoir, Monet, Manet and Degas were regarded as lacking skill and style and their paintings to the experts of time appeared unfinished – "wallpaper in its embryonic state is more finished" commented one journalist.

Paul Durand-Ruel was the son of an art dealer and felt that the new style of 'impressionist painting' was of great quality and unjustifiably unloved. Consequently, he decided to corner the market (buying particularly cheaply as he bought in bulk although always meeting the artists' prices) and then do everything within his powers to popularise the genre by professionalising the selling of art through specialist exhibitions around the world, offering free access to galleries and promotion of work via the press.

1874 saw the first exhibition of the impressionists' work, but a banking crisis in that year almost brought Durand-Ruel's strategy to its knees at an early stage. He however bounced back with a second exhibition in 1876 although public acclaim was lacking – "an insane asylum", declared one observer.

Slowly and not without further financial upsets Durand-Ruel's hard work to bring the impressionists to prominence succeeded in particular by expanding into foreign markets although another banking crisis in 1884 almost finished him off entirely. Towards the end of the 1890s he was selling paintings which he had bought for 50 francs for 50,000 francs.

"Attacked and reviled by upholders of the academy and old doctrines, by the most established art critics, by the entire press and by most of my colleagues, [my artists] were beginning to become the laughing stock of the salons and the public," Durand-Ruel later recalled. "Myself, guilty of having exhibited and daring to champion such works, I was treated as a madman... little by little, the trust I had succeeded in inspiring disappeared and my best clients began to question me. "How can you?" they would say.

"At last the impressionist masters triumphed just as the generation of 1830 had. My madness had been wisdom. To think that, had I passed away at sixty, I would have died debt-ridden and bankrupt, surrounded by a wealth of underrated treasures."

I must admit I went to the exhibition with great hope and anticipation of experiencing a classic contrarian story and that is certainly what I found. Even if an investment view is correct, it can take years before it is proven right. One must also be prepared to be harangued, criticised and patronised by those with alternative views and, finally, make sure to live long enough to take the plaudits for your investment acumen!



"I wonder how much I'd get for my impressionist paintings!"

The yield information has been calculated as at 31.05.15. All other information is from Investec Asset Management at 31.05.15.

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

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

Issued by Investec Asset Management, which is authorised and regulated by the Financial Conduct Authority, June 2015.