

Trust Facts

Launch date: 1926

Wind-up date: None

ISIN: GB0008825324

TIDM code: TMPL

Year end: 31 December

Dividends paid:

Quarterly in March, June, September and December

AGM: March

Benchmark: FTSE All-Share

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

ISA status:

May be held in an ISA

Capital Structure:

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

Debt:

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

Charges:

Ongoing charge: 0.49% (31.12.17)
Includes a management fee of 0.35%

Auditors: Ernst & Young LLP

Investment Manager:

Investec Fund Managers Ltd

Portfolio Manager: Alastair Mundy

Portfolio Manager start date:

1 August 2002

Registrars: Equiniti Ltd

Secretary:

Investec Asset Management Ltd

Depositary & Custodian: HSBC Bank Plc

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

Trust Objective

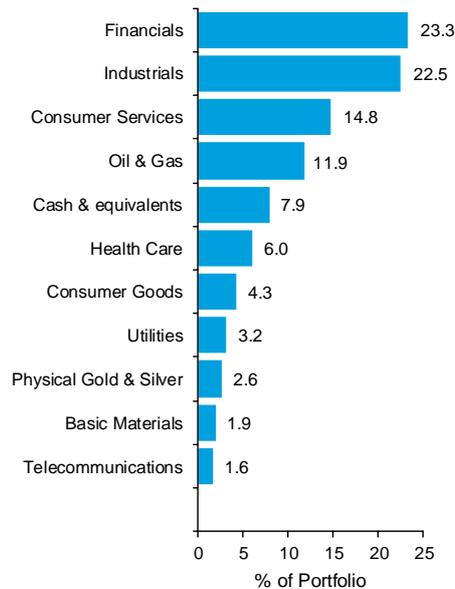
To provide growth in income and capital to achieve a long-term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK securities. The Company's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the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

Top Ten Equity Holdings (%)¹

Capita Plc	7.2
Royal Dutch Shell Plc	6.4
GlaxoSmithKline Plc	6.0
HSBC Holdings Plc	5.9
BP Plc	5.5
Lloyds Banking Group Plc	4.2
Barclays Plc	4.1
Royal Bank of Scotland Plc	4.0
Grafton Group Plc	4.0
SIG Plc	3.6
Total	50.9

¹% of total assets, including cash

Sector Analysis



Financial Data

Total Assets (£m)	1026.7
Share price (p)	1322.0
NAV (p) (ex income, debt at mkt)	1388.4
Premium/(Discount), Ex income (%)	-4.8
NAV (p) (cum income, debt at mkt)	1407.6
Premium/(Discount), Cum income (%)	-6.1
Historic net yield (%)	3.2

Dividend History

Type	Amount (p)	XD date	Pay date
1 st interim	8.75	07-Jun-18	29-Jun-18
Final	17.48	08-Mar-18	29-Mar-18
3 rd interim	8.33	07-Dec-17	29-Dec-17
2 nd interim	8.33	07-Sep-17	29-Sep-17

Performance (Total Return)

Cumulative Returns (%)

	Share Price	NAV	FTSE All-Share
1 month	1.6	1.7	-0.2
3 months	9.4	11.6	9.2
1 year	10.6	9.9	9.0
3 years	26.6	29.9	31.6
5 years	38.1	48.9	52.8
10 years	230.6	206.9	111.2

Rolling 12 Month Returns (%)

	Share Price	NAV	FTSE All-Share
30.06.17-			
30.06.18	10.6	9.9	9.0
30.06.16-			
30.06.17	24.4	21.2	18.1
30.06.15-			
30.06.16	-8.0	-2.4	2.2
30.06.14-			
30.06.15	-2.8	1.8	2.6
30.06.13-			
30.06.14	12.2	12.6	13.1

Performance, Price and Yield information is sourced from Morningstar as at 30.06.2018

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

Manager's Commentary

Thought for the month

I read recently that a value investor travels with a stock on its journey from being perceived as truly awful to merely bad. Obviously, this – purposely – oversimplifies the approach. Sometimes 'truly awful' proves an accurate assessment or the journey takes the investor in the opposite direction (to extraordinarily atrocious). But even so I think this provides a decent mental model.

As we have noted many times before, the market often extrapolates current news which leaves 'good' companies at high ratings and 'bad' companies at low ratings. Investors eager to justify having purchased or sold a stock become almost evangelical in their support or dislike of it and sentiment towards the stock becomes extreme. However, often the information driving the share price can prove temporary, irrelevant, misunderstood, incorrect or simply over-discounted. Or perhaps new management can arrive and change the company's strategy – and consequently the narrative changes too.

That's the beauty of the value investor's journey. It's not that good things always happen to cheap out-of-favour stocks. It's that if there is good news, the shares are not priced for it and investors can receive a positive surprise. And so, by the time one arrives at 'merely bad' perhaps enough has changed for the journey to continue on to 'distinctly average' and even 'better than the market thinks' and on to the terminus at 'high quality'.

Of course, as it has been said before, value-investing is simple but not easy. Rather like an expedition into deepest Essex [my neck of the woods] late at night, the stops are rarely well signed. It's easy to believe you have reached 'truly awful' only to discover that you are actually just pulling into 'merely bad' and that an extra stop, 'fairly horrible' has been added. The value-investing journey can take you to some interesting and challenging places.



"I don't know why we didn't think of this before!"

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

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

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