

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% (31.12.19)
Includes a management fee of 0.35%.
Excludes borrowing and portfolio transaction costs.

Auditors: Ernst & Young LLP

Investment Manager:

Ninety One Fund Managers UK Limited

Portfolio Manager: Alastair Mundy

Portfolio Manager start date:

1 August 2002

Registrars: Equiniti Ltd

Secretary:

Ninety One UK Limited

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

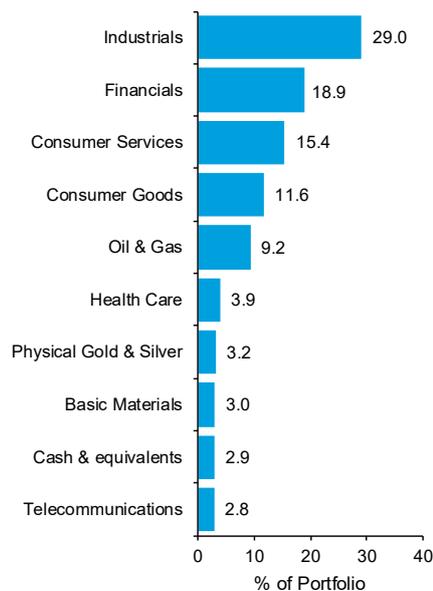
To provide growth in income and capital to achieve a long-term total return greater than the benchmark FTSE All-Share Index, through investment primarily in UK securities. The Company's policy is to invest in a broad spread of securities with typically the majority of the portfolio selected from the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

Top Ten Equity Holdings (%)¹

Capita Plc	7.1
Travis Perkins Plc	6.9
Grafton Group Plc	4.9
Royal Dutch Shell Plc	4.5
BP Plc	4.3
Tesco Plc	4.0
GlaxoSmithKline Plc	3.8
Barclays Plc	3.6
Royal Bank of Scotland Group Plc	3.6
EasyJet Plc	2.9
Total	45.6

¹% of total assets, including cash

Sector Analysis



Financial Data

Total Assets (£m)	893.5
Share price (p)	1192.0
NAV (p) (ex income, debt at mkt)	1184.3
Premium/(Discount), Ex income (%)	0.7
NAV (p) (cum income, debt at mkt)	1213.5
Premium/(Discount), Cum income (%)	-1.8
Historic net yield (%)	4.3

Dividend History

Type	Amount (p)	XD date	Pay date
Final	18.39	12-Mar-20	31-Mar-20
3 rd interim	11.00	05-Dec-19	30-Dec-19
2 nd interim	11.00	12-Sep-19	30-Sep-19
1 st interim	11.00	06-Jun-19	28-Jun-19

Performance (Total Return)

Cumulative Returns (%)

	Share Price	NAV	FTSE All-Share
1 month	-9.3	-11.4	-8.9
3 months	-12.3	-12.9	-8.9
1 year	-3.8	-6.4	-1.4
3 years	3.8	2.8	4.7
5 years	21.5	16.8	19.1
10 years	124.6	115.8	93.0

Rolling 12 Month Returns (%)

	Share Price	NAV	FTSE All-Share
28.02.19-29.02.20	-3.8	-6.4	-1.4
28.02.18-28.02.19	6.0	5.0	1.7
28.02.17-28.02.18	1.8	4.5	4.4
28.02.16-28.02.17	34.0	24.1	22.8
28.02.15-29.02.16	-12.6	-8.4	-7.3

Performance, Price and Yield information is sourced from Morningstar as at 29.02.2020

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.

Risks

Borrowing/leverage risk

The Company can borrow additional money to invest, known as leverage. This increases the exposure of the Company to markets above and beyond its total net asset value. This can help to increase the rate of growth of the fund but also cause losses to be magnified.

Charges to capital risk

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

Company share price risk

The Company's share price is determined by supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount or premium to the net asset value per share. This can mean that the price of an ordinary share can fall when its net asset value rises, or vice versa.

Interest rate

The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.

Equity investment

The value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.

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 thought for the month

The performance of the Trust continues to be disappointing after a very strong 2019. Our view for some time has been that equity markets (especially in the US) were expensive and that within the market there were some particular stocks that were very expensive – their valuations driven higher by falls in bond yields. Whilst we recognized the risk of a recession, we felt to position for this by holding equities with low volatility was potentially dangerous. This view was driven by our belief that policymakers would be in no mood to see a recession develop and would therefore introduce 'shock and awe' policies. We believed investors would regard these policies as inflationary and pro-growth. Consequently, we built a portfolio of stocks sensitive to economic growth (for example banks and industrials) that we believed were cheap on a through the cycle basis.

Unfortunately, many of these cyclical stocks have performed very poorly recently (whilst other more highly valued stocks which we feel are also very sensitive to economic growth have held up better).

We think those 'shock and awe policies' which we highlighted above will come earlier than expected. We have already seen the Federal Reserve make an emergency cut in the Fed Funds rate (at a time when US equities were very high and a number of indicators suggested the US economy was reasonably healthy). This suggests the Fed (and other Central Banks) is unlikely to sit on its hands if the prospects for economic growth deteriorate. Policies could include further interest rate cuts, more Quantitative Easing and even the introduction of Modern Monetary Theory (which would see the printing of money to finance government programmes).

Even before we see Modern Monetary Theory, governments could simply increase spending with this financed by increased borrowing in the bond market. Indeed with the US budget deficit increasing significantly, the UK budget very clearly signalling a loosening in the fiscal purse strings and even talk of a government financed Green Deal in Europe this move to increased government debt already appears to be well underway. What's more, the Central Bankers and academics are increasingly vociferous in their views that Governments should be taking on more responsibility for economic growth. The mood music implies a change of policy from inflation targeting (ie keeping prices under control) to targeting nominal GDP (ie any combination of inflation and real economic growth). This would be a very significant change.

The outlook for equities under this scenario would be dependent on whether the economic growth or the higher bond yields have the greater effect on valuations. While not sure in what direction this would send equity markets, we think it would be a much better environment for value than it has been for many years.

Contact us

Post
Company Secretary
Ninety One Plc
55 Gresham Street
London
EC2V 7EL

Investor Services & Broker Support
Phone: 020 3938 1800
Email: enquiries@ninetyone.com