

## Market commentary

December saw a strong year-end rally in equities driven by softening inflation data and the market pricing in rate cuts for 2024. In the UK, inflation slowed to 3.9% the lowest rate for more than two years.

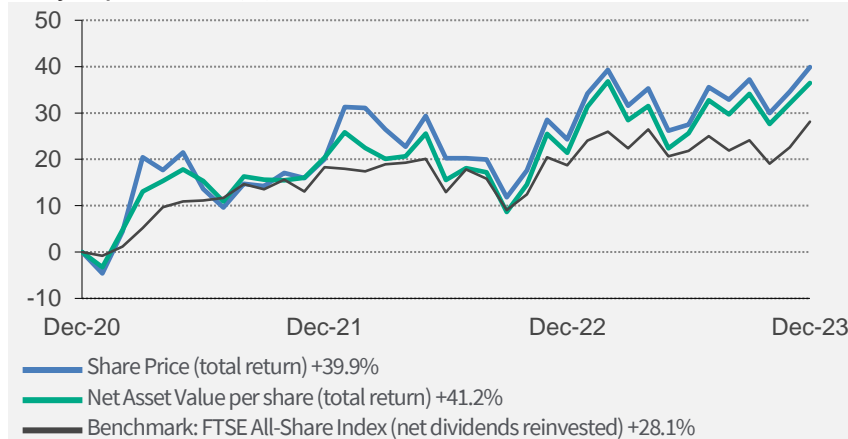
The portfolio performed well in December, although it underperformed the FTSE All-Share Index. The main contributors to performance were **Marks & Spencer, International Distributions Services (IDS)** and **Barclays**. The leading detractors from performance were **Centrica, Anglo American** and **BP**.

**Marks & Spencer** was the largest contributor during the month; the company continues to perform well from an operational perspective, taking market share in both clothing and food. **IDS** continues to perform well since the new agreement with the Communication Workers Union; **IDS** also benefitted from broker upgrades during the month. UK banks **Barclays** and **NatWest** also performed well during the month.

**Anglo American's** share price fell sharply as the company unveiled plans to cut production to help reduce costs, with the largest cuts to guidance coming in its copper business. **Centrica**, which performed very well in 2023, fell slightly in December; having simplified and de-risked the business, the management intend to invest in the energy transition and thereby create further value for shareholders. **BP** was also a slight detractor from performance; **BP** has a strong balance sheet and offers a well-covered dividend that can grow.

UK equities continue to be valued at a significant discount to global equities generally. Accordingly, we believe that, notwithstanding the shorter-term uncertainties, UK equities are priced to offer relatively attractive returns into the future.

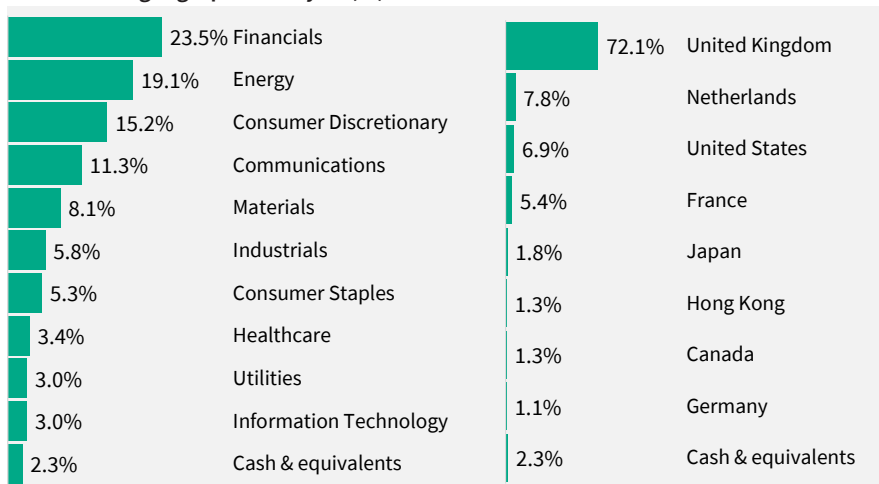
## Three-year performance (%)



Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed; an investor may receive back less than the original amount invested.

Source: Morningstar

## Sector and geographic analysis (%)



\* Exposures expressed as a % of the gross assets (investments plus cash) of the Company.

## 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 10 equity holdings

Company	(%)
Shell	7.3
BP	6.4
TotalEnergies	5.4
Marks & Spencer	5.3
NatWest	5.1
Aviva	4.4
ITV	4.3
Stellantis	4.0
Barclays	4.0
Anglo American	3.8
<b>Total</b>	<b>50.0</b>

## Financial data

Gross Assets	£795.7m
Share price (p)	238.00
NAV (p) (cum income)*	252.22
Premium/(Discount), Cum income*	(5.6%)
Historic net yield	4.0%
Net gearing*	8.0%

\*Calculated with debt at fair value

## Dividend history

Type	Amount (p)	XD date	Pay date
3rd interim – 2023	2.50	30.11.23	29.12.23
2nd interim – 2023	2.30	24.08.23	29.09.23
1st interim – 2023	2.30	01.06.23	30.06.23
4 <sup>th</sup> interim – 2022	2.50	02.03.23	31.03.23

## Performance (total return)

Past performance is not a guide to future performance. The value of investments and the income from them may fall as well as rise and is not guaranteed; an investor may receive back less than the original amount invested. This Company may not be appropriate for investors who plan to withdraw their money within the short to medium term.

## Cumulative returns (%)

	Share Price	NAV	FTSE All-Share
1 month	3.9	3.4	4.5
3 months	1.9	1.8	3.2
3 year	39.9	41.2	28.1
5 year	28.8	30.0	37.7
10 year	41.5	47.5	68.2
Since 30/10/2020	92.5	86.7	50.0

	Share Price	NAV	FTSE All-Share
31.12.22 - 31.12.23	12.5	12.3	7.9
31.12.21 - 31.12.22	3.6	0.9	0.3
31.12.20 - 31.12.21	20.0	24.6	18.3
31.12.19 - 31.12.20	-31.5	-28.0	-9.8
31.12.18 - 31.12.19	34.3	27.9	19.2

Performance, price and yield information is sourced from Morningstar as at 31.12.23.

## Trust facts

### Launch date

1926

### ISIN

GB00BMV92D64

### Sedol

BMV92D6

### Ticker

TMPL

### Year end

31 December

### Dividends paid

Quarterly in March, June, September and December

### Benchmark

FTSE All-Share

### Association of Investment Companies

#### (AIC) sector

UK Equity Income

### ISA status

May be held in an ISA and Junior ISA

### Capital structure

Ordinary shares in issue:

290,612,881 in circulation

43,750,944 in treasury

### Debt

4.05% private placement loan 2028 £50m

2.99% private placement loan 2047 £25m

### Ongoing charge:

0.54%, effective 31 December 2022

Includes a management fee of 0.325%.

Excludes borrowing and portfolio transaction costs.

### AIFM, Administrator & Company Secretary

Frostrow Capital LLP with effect from 1 July 2023

### Portfolio Manager

RWC Asset Management LLP with effect from 30 October 2020

### Portfolio Management Team

Ian Lance and Nick Purves

### Registrar

Equiniti Financial Services Limited

### Depositary & Custodian

Bank of New York Mellon

## How to Contact Us

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## Risk warnings

*This document is for information purposes only and does not constitute an offer or invitation to purchase shares in the Company and has not been prepared in connection with any such offer or invitation. Before investing in the Company, or any other investment product, you should satisfy yourself as to its suitability and the risks involved, and you may wish to consult a financial adviser.*

Any return you receive depends on future market performance and is uncertain. The Company does not seek any protection from future market performance so you could lose some or all of your investment. For information on the principal risks the Company is exposed to please refer to the Company's Annual Report, Key Information Document or Investor Disclosure Document, available at <https://www.templebarinvestments.co.uk/documents/>.

### Company share price risk

Shares in the Company are bought and sold on the London Stock Exchange. The price you pay or receive, like other listed shares, is determined by supply and demand and may be at a discount or premium to the underlying net asset value of the Company. Usually, at any given time, the price you pay for a share will be higher than the price you could sell it.

### Borrowing/leverage risk

The Company has increased its exposure to investments via borrowings and this could potentially magnify any losses or gains made by the Company.

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

### Interest rate

The value of fixed income assets & liabilities (e.g. bonds) tends to decrease when interest rates and/or inflation rises and increase when interest rates and/or inflation falls.

### Concentration risk

The Company's portfolio may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the portfolio, both up or down, which may adversely impact the Company's performance.

### Target market

The Company is suitable for investors seeking an investment that aims to deliver total returns over the longer term (at least five years), is compatible with the needs for retail clients, professional clients and eligible counterparties and is eligible for all distribution channels.

The Company may not be suitable for investors who are concerned about short-term volatility and performance, have low or no risk tolerance or are looking for capital protection, who are seeking a guaranteed or regular income, or a predictable return profile. The Company does not offer capital protection.

### Value assessment

Frostrow Capital LLP has conducted an annual value assessment on the Company in line with Financial Conduct Authority (FCA) rules set out in the Consumer Duty regulation. The assessment focuses on the nature of the product, including benefits received and its quality, limitations that are part of the product, expected total costs to clients and target market considerations.

Within this, the assessment considers quality of services, performance of the Company (against both benchmark and peers), total fees (including management fees and entry and exit fees as applicable to the Company) and considers whether vulnerable consumers are able to receive fair value from the product.

Frostrow Capital LLP concluded that the Company is providing value based on the above assessment.

### Important information

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