TEMPLE BAR
Investment Trust Plc

Temple Bar

Half-Year Report
For the six months ended 30 June 2024

Think value investing, think Temple Bar.

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 investment 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.

Benchmark
Performance is measured against the FTSE All-Share Index

Capital structure

Ordinary shares	286,516,158 Shares (excluding 47,847,667 shares held in treasury)
4.05% Private Placement Loan 2028	£49,865,000 carrying value
2.99% Private Placement Loan 2047	£24,897,000 carrying value
Market capitalisation	**£742,077,000**
Shareholders' funds	**£789,203,000**

Voting structure
Ordinary shares

Dividend history

Type	Amount (p)	XD date	Pay date
2nd interim – 2024	2.75	22.08.24	27.09.24
1st interim – 2024	2.50	30.05.24	28.06.24
4th interim – 2023	2.50	07.03.24	02.04.24
3rd interim – 2023	2.50	30.11.23	29.12.23

Dividend yield
4.0%

ISA status
The Company's shares qualify to be held in an ISA and a Junior ISA.

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

Summary of Results

	Six months to 30 June 2024 £000	Year to 31 December 2023 £000	Six months to 30 June 2023 £000
NAV total return, with debt at fair value[1,2]	**13.1%**	12.3%	3.4%
Share price total return[1,2]	**11.0%**	12.5%	2.5%
FTSE All-Share Index[3]	**7.4%**	7.9%	2.6%
Net asset value per share with debt at book value	**275.4p**	248.0p	231.2p
Net asset value per share with debt at fair value[1]	**280.1p**	252.2p	236.8p
Share price	**259.0p**	238.0p	221.5p
Discount of share price to NAV per share with debt at fair value[1]	**(7.5%)**	(5.6%)	(6.5%)
Dividends per share	**5.00p**	9.60p	4.60p
Dividend yield[1]	**3.8%**	4.0%	4.1%
Net gearing with debt at book value	**8.4%**	9.8%	10.2%
Ongoing charges[1]	**0.62%**	0.56%	0.53%

[1] Alternative Performance Measure. See glossary of terms beginning on page 21 for definition and more information.
[2] Source: Morningstar.
[3] Source: Redwheel.

Temple Bar – The investment case

Temple Bar is differentiated by an investment approach that focuses on companies whose stock market value is at a significant discount to the fair or intrinsic value of the business. The portfolio is selected through deep fundamental analysis by an experienced, well-resourced management team.

The Trust offers a competitive income yield and the Board and Portfolio Manager, Redwheel, support a progressive dividend policy.

Recent returns have been strong as the undervaluation of many UK shares has been realised either through corporate takeovers or by companies buying back their own shares.

Despite the strong returns that the Trust has enjoyed over the last eighteen months, Redwheel believes that the portfolio of stocks continues to look very undervalued, and this bodes well for future returns.

Think value investing, think Temple Bar.

Chairman's Statement

Performance

The total return of the FTSE All-Share Index was +7.4% in the half-year. I am pleased to report that the Trust's Net Asset Value ("NAV") per share total return was +13.1%, and that the share price total return was +11.0%, both outperforming the Index by a significant margin reflecting strong stock selection by your Portfolio Manager in market conditions that have been supportive of their value investing approach. Performance over one and three years has also been strong, both on a relative and absolute basis, with a NAV per share total return over the periods of +22.9% and +33.9% and a share price total return of +21.8% and +36.7% compared to a total return from the FTSE All-Share Index of +13.0% and +23.9%. Further details regarding the Trust's performance can be found in the Portfolio Manager's Report beginning on page 7.

Discount

Since the period end due, in part, to the Trust's strong performance, no shares have been repurchased and the Trust's discount stands at 4.7% as at 19 August 2024.

As at the half-year end the discount of the Trust's share price to the NAV per share stood at 7.5% compared to 5.6% at the beginning of the period. We were active buyers of our own shares, purchasing 4,096,723 shares into Treasury in the period at a cost of £9.7m. These buybacks address the short-term imbalance between supply and demand for the Trust's shares and enhance the NAV per share for continuing shareholders.

Dividend

The Trust's revenue performance in the period was strong, with an increase in revenue earnings per share of c.35% compared to the previous half year. This has enabled your Board to declare an increased second interim dividend of 2.75 pence per share (2023: second interim dividend of 2.3 pence per share). The second interim dividend will be payable on 27 September 2024 to shareholders on the register of members on 23 August 2024. The associated ex-dividend date is 22 August 2024. This follows the payment of a first interim dividend of 2.5 pence per share on 28 June 2024.

Outlook

The UK stock market enjoyed a positive first half of the year, supported by an increase in M&A activity and in companies buying back their own shares; both a reflection of the perceived value offered by current valuation levels.

With the election of a new government in a landslide result, the UK offers the increasingly rare attraction of political stability. Combined with the continued appealing valuations offered by UK equities, particularly when compared with the valuations seen in certain overseas markets and sectors, the outlook for UK equities is positive.

Your Board believes that notwithstanding the shorter-term uncertainties surrounding the extent and pace of interest rate cuts, UK equities continue to offer attractive returns and that our value strategy promises to reward shareholders accordingly.

Richard Wyatt
Chairman
20 August 2024

Ten Largest Investments

As at 30 June 2024

Company	Industry	Primary place of Listing	Valuation £'000	% of portfolio
Royal Dutch Shell	Energy	UK	58,799	6.9%
NatWest Group	Financials	UK	55,153	6.5%
BP	Energy	UK	49,284	5.8%
ITV	Communications	UK	43,669	5.1%
Barclays	Financials	UK	43,091	5.0%
TotalEnergies	Energy	France	42,639	5.0%
Aviva	Financials	UK	38,474	4.5%
Anglo American	Materials	UK	38,107	4.5%
NN Group	Financials	Netherlands	35,533	4.2%
Marks & Spencer Group	Consumer Staples	UK	35,489	4.1%
			440,238	**51.6%**

Portfolio Manager's Report

How do you describe your approach to investing?
We are value investors. This means that we invest the Trust's assets in companies whose stock market value is at a significant discount to the fair or intrinsic value of the business. Investing in undervalued 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 undervaluation is corrected by the stock market.

How would you describe the investment backdrop in the first half of the year?
In a word: constructive. Interest rates in the US, the UK and Europe rose very significantly in 2022 and 2023 to cool the inflationary effects of the strong post pandemic recovery and Russia's invasion of Ukraine. The concern had been that these rate rises would result in a significant slowdown in growth and possibly a recession. Whilst the future is always uncertain, it so far looks as if it hasn't been the case. Although GDP growth was sluggish in both Europe and the UK in 2023, in the UK particularly we have seen some acceleration in recent months. The US economy grew at a healthy rate last year and that growth has continued into this year. Meanwhile, inflation rates have continued to fall and in the UK are now in line with the Bank of England target of 2%. As a result, stock markets are now looking forward to interest rate cuts later in 2024 although the pace of these is uncertain. A resilient economy and the prospect of falling interest rates are normally good for investor sentiment and the first half of 2024 has not been an exception to this rule. Most of the major equity markets have therefore delivered attractive returns so far in 2024.

Turning to the financial year, how has the portfolio performed and what were the major winners and losers?
The Trust's portfolio performed well in the first six months of the year, building on the solid gains enjoyed in 2023. The Trust enjoyed particularly strong returns from NatWest Group, Barclays, ITV, Anglo American and the Dutch insurer, NN Group. Each of these five companies added a per cent or more to the Trust's total return in the six months. Performance was negatively impacted by a further fall in the share price of Capita.

The banks, NatWest and Barclays, continue to benefit from the recent pick up in net interest margins (itself a function of rising interest rates) and a benign loan loss cycle and both reported a strong set of results in February. This coupled with low starting valuations propelled share prices upward. In both cases, the companies started the year with a market valuation of less than 5x last year's earnings, an earnings yield of more than 20%. The share prices of both companies rose by around 40% in the first half of the year.

ITV rose by around 30% in the six months. Although the advertising cycle continues to be weak, it appears to have stabilised, and this at a time when the shares look to be significantly undervalued. This was illustrated by the announcement that the company had agreed to sell its share of the Britbox International joint venture for £255m, which at the time constituted around 10% of the company's market valuation; this even though the joint venture contributed little in the way of profit to the group. The company also announced that the proceeds would be used to repurchase shares. At the current valuation a share buyback of this scale is very value enhancing for those shareholders that decide not to sell. Accordingly, the shares rose by around 15% on the day of the announcement, highlighting that shares where stock market expectations are low and sentiment is negative can be very sensitive to good news.

Anglo American rose on the back of a £31bn all-share bid from BHP and although the bid came to nothing, it served to highlight the undervaluation of the group's copper assets. Anglo American has been beset by operational problems and this had caused its share price to fall quite dramatically in the final months of 2023. To repel the bid from BHP, the management of Anglo American announced a simplification strategy that should create value for shareholders. If this strategy is unsuccessful then there is a reasonable likelihood that the company will once again become the subject of bid interest.

NN Group reported a strong set of results in which it increased its target for capital generation, upped its dividend by 15% and announced further share buybacks. The company has strong capital ratios and even today offers a 7% historic dividend yield and is valued at less than 7x the level of capital generated in 2023.

Portfolio Manager's Report

Continued

At a capital markets day in June, Capita announced that the expected date at which the company would start to generate free cash flow for shareholders would be further delayed. The company has been a very poor investment for the Trust and continues to face significant challenges. However, should the company be capable of hitting its revised financial targets then the shares would offer exceptional value. Some might question why it is that the Trust continues to hold onto shares in a company that has serially disappointed. Our answer is that we believe that companies should always be appraised through the lens of today and that we should remove the emotional baggage and evaluate businesses as if we were looking at them for the first time. If the shares appear to be undervalued based on the information that is available today, then in our view, they warrant a continued position in the Trust's portfolio.

How has the Trust's portfolio changed in the first half of the 2024?

The Trust established a position in the Dutch bank ABN Amro in the six months under review. This company has come a long way since the depths of the financial crisis when it had to be nationalised by the government. Today the company is a strongly capitalised, conservatively run, retail bank with more than half of its loans in the Dutch mortgage market. The company is managed in the best interests of its shareholders and has returned around one third of its market value in dividends and share buybacks in the last three years. It is valued at around 0.6x its tangible equity value, less than 6x historic earnings and offers a well-covered 2024 expected dividend yield of over 7%. The purchase was funded by the sale of the Trust's holding in Citigroup. Citigroup had performed well for the Trust but is now significantly more highly valued than ABN Amro. In addition, a large portion of its profits also come from its investment bank and unsecured lending in the US. Its mix of lending is therefore higher risk.

The Trust also established a position in Direct Line Insurance, one of the UK's leading insurance companies, spanning Motor, Home, Pet and Travel Insurance. Although it is a low growth business, which operates in a competitive industry, from the time of its floatation (in 2012) up until 2022, the business had generated a relatively stable return for its shareholders. In 2022, however, the company badly underestimated the level of claims inflation that it would see, with the result that it was effectively under-pricing its insurance and writing loss making contracts, in turn driving a halving of the share price. The company now has a new management team which has set about trying to restore the company's fortunes. Despite the hiccups of the last two years, we believe that the longer-term earnings power of the business is broadly unaffected, and we therefore viewed the significant fall in the share price as an overreaction. Shortly after purchasing the shares, the company was the subject to a takeover approach from Ageas, the Belgian insurance company. Whilst this approach came to nothing, it suggested that the company's shares are indeed undervalued.

The UK stock market continues to be compared negatively with other major equity markets. Should this be a source of concern for the Trust's shareholders?

We have for some time talked of the significant undervaluation of many listed UK shares, most likely caused by persistent selling by valuation insensitive investors, often to fund the purchase of more expensively priced overseas equities. We are often asked what the catalyst will be for an improvement in UK valuations. Our view has been that either UK listed companies need to take matters into their own hands by using internally generated cashflows to retire cheap equity or overseas corporate buyers are likely to step into the void. There are now signs that both are happening as a large portion of UK listed companies are buying back and there has been a marked increase in the level of takeover interest in UK companies. Both forces, have the potential to drive significant value creation for those who exercise the patience to remain invested in the UK and we believe that this is already being reflected in the Trust's investment returns.

Could you provide your views on the increased level of takeover and bid activity in the UK, particularly on names held in the portfolio?

So far in 2024, we have indeed seen quite a dramatic pick up in the number of takeover bids for UK listed companies. In the absence of new companies coming to the UK market, this raises questions about the long-term health of the UK market; however, in the short term it is a significant positive for the Company's shareholders. So far in 2024, the Trust has received takeover bids for four of its investments (Direct Line, Anglo American, Currys and IDS Group – formally Royal Mail). These offers, which have all driven significant value for the Trust's shareholders, have been at premiums of between 40% and 60% to the prevailing share prices and yet not one of the four bids succeeded. This is interesting in that it demonstrates just how undervalued some of the holdings in the Trust's portfolio had become.

Portfolio Manager's Report

Continued

It is not unreasonable to expect further takeover bids for portfolio holdings in the future.

Following the recent elections in the UK and France, and also the US Presidential election in November, how do you think politics will impact both the UK market and markets globally in the remainder of 2024?

Share prices (and therefore stock markets) are ultimately driven by the outlook for corporate profits and accordingly favour stable governments who espouse business friendly policies. In the UK, the new Labour government is looking to implement policies that are designed to increase the attractiveness of the UK to overseas investors and will want to be seen as business friendly. With five years of relative stability ahead, it wouldn't be a surprise to see the UK market perform relatively well in the coming months. In France, no party has gained an outright majority in the parliament, and this is likely to crimp the more extreme tendencies of both the left and the right. Likewise in the US, whoever wins the presidential election, it is unlikely to have a significant effect on US corporate profitability.

How is the portfolio currently positioned and what is your outlook for the year ahead?

Despite the strong returns that the Trust has enjoyed over the last eighteen months, we believe that its portfolio of stocks continues to look very undervalued. We are fond of saying that stock market history has shown, quite conclusively, that the best predictor of future investment returns is starting valuation. Stocks that are lowly valued are priced to deliver attractive returns, while those that are richly priced are priced to deliver disappointing returns. In our opinion, today's most attractive valuations continue to be found in sectors such as banks, insurance, energy, media and consumer cyclicals. Whilst the profitability of these companies is closely tied to the economy and can be volatile, we believe that investors in these companies are being handsomely rewarded for taking on this additional volatility. The Trust's portfolio in aggregate is valued at around just 8x this year's expected earnings and whilst many are taking a dim view of UK economic prospects, it is important to remember that we buy companies and not economies. The companies in which the Trust is invested mostly generate the majority of their profits from overseas and are sound, conservatively run businesses with good balance sheets and capable management teams.

Ian Lance and Nick Purves
RWC Asset Management LLP
20 August 2024

Interim Management Report

The important events that have occurred during the period under review, the key factors influencing the financial statements and the principal risks and uncertainties for the remaining six months of the financial year are set out in the Chairman's Statement on page 5 and the Portfolio Manager's Report on pages 7 to 9.

The principal risks facing the Company are unchanged, and are not expected to change materially in the remaining six months of the financial year, since the date of the Annual Report and Financial Statements for the year ended 31 December 2023 and continue to be as set out in that report on pages 35 to 37 and note 20 to the financial statements beginning on page 87.

Risks faced by the Company include, but are not limited to: investment strategy risk, loss of investment team or portfolio manager, income risk – dividend, share price risk, reliance on the Portfolio Manager and other service providers, compliance with laws and regulations, cyber security, and global risks (e.g. climate risk, a pandemic), market price risk, interest rate risk, liquidity risk, credit risk and currency risk.

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. No new or emerging risks have been identified.

Related Party Transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Going Concern

The Directors believe, having considered the Company's investment objective, risk management policies, capital management policies and procedures, and the nature of the portfolio and the expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future.

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within this Half-Year Report has been prepared in accordance with Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted in the UK, and gives a true and fair view of the assets, liabilities, financial position and return of the Company; and,
- the Half-Year Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the UK Listing Authority Disclosure Guidance and Transparency Rules.

In order to provide these confirmations, and 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 applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and the Directors confirm that they have done so.

The Half-Year Report was approved by the Board on 20 August 2024 and the above responsibility statement was signed on its behalf by:

Richard Wyatt
Chairman

Statement of Comprehensive Income

For the six months ended 30 June 2024 (unaudited)

		30 June 2024 (unaudited)			30 June 2023 (unaudited)			Year ended 31 December 2023 (audited)		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Total Income	6	**23,886**	**–**	**23,886**	18,743	–	18,743	32,422	–	32,422
Profit on investments	5	**–**	**73,724**	**73,724**	–	9,039	9,039	–	62,826	62,826
Currency exchange losses		**–**	**(120)**	**(120)**	–	(103)	(103)	–	(143)	(143)
Total income		**23,886**	**73,604**	**97,490**	**18,780**	**8,936**	**27,716**	**32,422**	**62,683**	**95,105**
Expenses										
Portfolio Management fees		**(548)**	**(822)**	**(1,370)**	(580)	(870)	(1,450)	(1,103)	(1,654)	(2,757)
Other expenses		**(708)**	**(365)**	**(1,073)**	(473)	(89)	(562)	(1,068)	(721)	(1,789)
Profit before finance costs and tax		**22,630**	**72,417**	**95,047**	**17,727**	**7,977**	**25,704**	**30,251**	**60,308**	**90,559**
Finance costs		**(562)**	**(843)**	**(1,405)**	(561)	(842)	(1,403)	(1,123)	(1,685)	(2,808)
Profit before tax		**22,068**	**71,574**	**93,642**	**17,166**	**7,135**	**24,301**	**29,128**	**58,623**	**87,751**
Tax		**(1,061)**	**–**	**(1,061)**	(572)	–	(572)	(926)	–	(926)
Profit for the period		**21,007**	**71,574**	**92,581**	**16,594**	**7,135**	**23,729**	**28,202**	**58,623**	**86,825**
Earnings per share		**7.3p**	**24.9p**	**32.2p**	**5.4p**	**2.3p**	**7.7p**	**9.3p**	**19.4p**	**28.7p**

The total column of this statement represents the Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue and capital columns are both prepared under guidance published by the AIC.

All items in the above statement derive from continuing operations.

Statement of Changes in Equity

For the six months ended 30 June 2024 (unaudited)

	Notes	Ordinary share capital £'000	Share premium account £'000	Capital reserves £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		16,719	96,040	595,294	12,651	720,704
Profit for the period		–	–	71,574	21,007	92,581
Cost of shares bought back for treasury		–	–	(9,707)	–	(9,707)
Dividends paid to equity shareholders	7	–	–	–	(14,375)	(14,375)
Balance at 30 June 2024		**16,719**	**96,040**	**657,161**	**19,283**	**789,203**
Balance at 1 January 2023		16,719	96,040	600,206	13,381	726,346
Profit for the period		–	–	7,135	16,594	23,729
Cost of shares bought back for treasury		–	–	(36,131)	–	(36,131)
Dividends paid to equity shareholders	7	–	–	–	(14,797)	(14,797)
Balance at 30 June 2023		**16,719**	**96,040**	**571,210**	**15,178**	**699,147**

Statement of Financial Position

As at 30 June 2024 (unaudited)

	Notes	30 June 2024 (unaudited) £'000	31 December 2023 (audited) £'000	30 June 2023 (unaudited) £'000
Non-current assets				
Investments	5	**848,880**	776,875	767,285
Current assets				
Investments	5	**4,202**	13,713	–
Cash and cash equivalents		**8,508**	4,275	3,823
Receivables		**5,989**	2,979	5,340
Total assets		**867,579**	**797,842**	**776,448**
Current liabilities				
Payables		**(3,614)**	(2,394)	(2,575)
Total assets less current liabilities		**863,965**	**795,448**	**773,873**
Non-current liabilities				
Interest bearing borrowings	8	**(74,762)**	(74,744)	(74,726)
Net assets		**789,203**	**720,704**	**699,147**
Equity attributable to equity holders				
Ordinary share capital	9	**16,719**	16,719	16,719
Share premium		**96,040**	96,040	96,040
Capital reserves		**657,161**	595,294	571,210
Revenue reserves		**19,283**	12,651	15,178
Total equity attributable to equity holders		**789,203**	**720,704**	**699,147**
NAV per share	10	**275.4**	**248.0p**	**231.2p**
NAV per share with debt at fair value[1]	10	**280.1**	**252.2p**	**236.8p**

[1]Alternative Performance Measures – See glossary of terms beginning on page 21 for definition and more information.

Statement of Cash Flows

For the six months ended 30 June 2024 (unaudited)

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	Year ended 31 December 2023 (audited) £'000
Cash flows from operating activities			
Profit before tax	**93,642**	24,301	87,751
Adjustments for:			
Gains on investments	**(73,724)**	(9,039)	(62,826)
Finance costs	**1,405**	1,403	2,808
Dividend income	**(23,663)**	(18,716)	(32,278)
Interest income	**(223)**	(64)	(144)
Dividends received	**22,005**	15,814	32,037
Interest received	**387**	37	(97)
Decrease/(increase) in receivables	**293**	(181)	38
(Decrease)/increase in payables	**(658)**	(101)	584
Overseas withholding tax suffered	**(1,061)**	(572)	(1,229)
Net cash flows from operating activities	**18,403**	**12,882**	**26,644**
Cash flows from investing activities			
Purchases of investments	**(47,238)**	(24,791)	(137,215)
Sales of investments	**58,567**	54,206	197,110
Net cash flows from investing activities	**11,329**	**29,415**	**59,895**
Cash flows from financing activities			
Equity dividends paid	**(14,375)**	(14,797)	(28,932)
Interest paid on borrowings	**(1,386)**	(1,386)	(2,773)
Shares bought back for treasury	**(9,738)**	(35,531)	(63,799)
Net cash flows used in financing activities	**(25,499)**	**(51,714)**	**(95,504)**
Net increase/(decrease) in cash and cash equivalents	**4,233**	**(9,417)**	**(8,965)**
Cash and cash equivalents at the start of the period	**4,275**	13,240	13,240
Cash and cash equivalents at the end of the period	**8,508**	**3,823**	**4,275**

Notes to the Financial Statements

1. Significant Accounting Policies
1.a General information
Temple Bar Investment Trust Plc is a company limited by shares, incorporated and domiciled in the UK. Its registered office and principal place of business is at 25 Southampton Buildings, London WC2A 1AL, UK. Its shares are listed on the London Stock Exchange.

These condensed interim financial statements were approved for issue on 20 August 2024. These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 were approved by the board of directors on 3 April 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

These financial statements have not been audited.

1.b Basis of Preparation
This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted in the UK.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Going Concern
The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for 12 months from the date when these financial statements were 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 Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, having taken into account the liquidity of the Company's investment portfolio and the Company's financial position in respect of its cash flows and borrowing facilities. Therefore, the financial statements have been prepared on a going concern basis.

3. Significant Accounting Judgements, Estimates and Assumptions
The preparation of the Company's financial statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. The area requiring the most significant judgment is recognition and classification of unusual or special dividends received as either revenue or capital in nature. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

Notes to the Financial Statements

Continued

5. Investments Held at Fair Value Through Profit or Loss
(a) Investment portfolio summary

	Six months ended 30 June 2024		
	Quoted equities £'000	Debt securities £'000	Total £'000
Opening cost at the beginning of the period	733,313	13,652	746,965
Opening unrealised appreciation at the beginning of the period	43,562	61	43,623
Opening fair value at the beginning of the period	**776,875**	**13,713**	**790,588**
Purchases at cost	41,109	8,024	49,133
Sales – proceeds	(42,916)	(17,447)	(60,363)
Realised gain/(loss) on sale of investments	16,769	(19)	16,750
Change in unrealised appreciation/(depreciation)	57,043	(69)	56,974
Closing fair value at the end of the period	**848,880**	**4,202**	**853,082**
Closing cost at end of the period	748,275	4,210	752,485
Closing unrealised appreciation/(depreciation) at the end of the period	100,605	(8)	100,597
Closing fair value at the end of the period	**848,880**	**4,202**	**853,082**

(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.

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.

Notes to the Financial Statements

Continued

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 period and as such no reconciliation between levels has been presented.

As at	30 June 2024 Level 1 £'000	31 December 2023 Level 1 £'000	30 June 2023 Level 1 £'000
Financial assets			
Quoted equities	848,880	776,875	767,285
Debt securities	4,202	13,713	–
Total investments	**853,082**	**790,588**	**767,285**

6. Income

	Six months ended 30 June 2024 (unaudited)			Six months ended 30 June 2023 (unaudited)			Year ended 31 December 2023 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income from investments									
UK dividends	**14,051**	**–**	**14,051**	12,989	–	12,989	23,085	–	23,085
Overseas dividends	**9,612**	**–**	**9,612**	5,727	–	5,727	9,193	–	9,193
Interest on fixed income securities	**133**	**–**	**133**	27	–	27	84	–	84
	23,796	**–**	**23,796**	**18,743**	**–**	**18,743**	**32,362**	**–**	**32,362**
Other Income									
Deposit interest	**90**	**–**	**90**	37	–	37	60	–	60
	23,886	**–**	**23,886**	**18,780**	**–**	**18,780**	**32,422**	**–**	**32,422**

Notes to the Financial Statements

Continued

7. Dividends
The fourth interim dividend relating to the year ended 31 December 2023 of 2.5 pence per ordinary share was paid during the six months ended 30 June 2024.

A first interim dividend relating to the year ending 31 December 2024 of 2.5 pence per share was paid on 28 June 2024.

A second interim dividend of 2.75 pence per share will be paid on 27 September 2024 to shareholders registered on 23 August 2024. In accordance with IFRS, this dividend has not been recognised in these financial statements. The ex-dividend date for this payment is 22 August 2024.

8. Interest-bearing borrowings
The Company's financial instruments, 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 book value.

The interest-bearing borrowings do not have prices quoted on an active market but their fair values, as shown in the below table, are based on observable inputs. As such they have been classified as Level 2 instruments in line with prior periods.

	30 June 2024		31 December 2023		30 June 2023	
	Carrying value £'000	Fair value £'000	Carrying value £'000	Fair value £'000	Carrying value £'000	Fair value £'000
Interest-bearing borrowings:						
4.05% 03/09/2028 Private Placement Loan	49,865	46,800	49,849	47,291	49,833	44,025
2.99% 24/10/2047 Private Placement Loan	24,897	14,722	24,895	15,163	24,893	13,990
	74,762	**61,522**	**74,744**	**62,454**	**74,726**	**58,015**

9. Share Capital

	30 June 2024 Number	31 December 2023 Number	30 June 2023 Number
As at 1 January	**290,612,881**	317,822,386	317,822,386
Purchase of shares into treasury	**(4,096,723)**	(27,209,505)	(15,364,821)
As at period end:			
– In circulation	**286,516,158**	**290,612,881**	**302,457,565**
– In Treasury	**47,847,667**	43,750,944	31,906,260
– Listed	**334,363,825**	334,363,825	334,363,825
Nominal Value of 5p ordinary shares	**16,719**	16,719	16,719

During the period, the Company bought back ordinary shares at a cost of £9,707,000 (Year ended 31 December 2023: £63,535,000; Six months ended 30 June 2023: £36,131,000).

10. Net asset value (“NAV”) per share
The NAV per share is based on the net assets attributable to the equity shareholders of £789,203,000 (31 December 2023: £720,704,000; 30 June 2023: £699,147,000) and 286,516,158 (31 December 2023: 290,612,881; 30 June 2023: 302,457,565) shares being the number of shares in issue at the period 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 carrying value and fair value as shown in note 8, and the number of shares in issue at the period end. Adjusting for debt at fair value resulted in an increase in net assets of £13,240,000 or 4.6p per share (31 December 2023: increase of £12,290,000 or 4.2p per share; 30 June 2023: increase of £16,711,000 or 5.6p per share).

Corporate Information

Directors
Richard Wyatt – Chairman
Charles Cade – Senior Independent Director
Carolyn Sims – Chair of the Audit and Risk Committee
Shefaly Yogendra – Chair of the Management Engagement and Nomination Committees

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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

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

Registered Number
Registered in England Number 00214601

Glossary of Terms

AIC
The Association of Investment Companies.

Benchmark
A comparative performance index.

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.

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. The net asset value 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 debentures and loan stocks at fair value. The net asset value per share is calculated by dividing this amount by the number of ordinary shares outstanding.

Ongoing Charges*
Ongoing charges are calculated on an annualised basis. This figure excludes any portfolio transaction costs and financing costs. It may vary from period to period. The calculation below is in line with AIC guidelines.

	Six months to 30 June 2024 £000
Investment management fee	1,370
Administrative expenses	949
Total	**2,319**
Average total net asset value throughout the period	751,299
Ongoing charges	**0.62%**

* Alternative Performance Measure.

Glossary of Terms

Continued

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 investment management performance of investment trusts which is not affected by movements in discounts/ premiums.

	Six months to 30 June 2024 (p)
Opening NAV with debt at fair value	**252.2**
Increase in NAV	32.4
Less dividends paid	(4.8)
Adjustment for movement in fair value of debt	0.3
Closing NAV with debt at fair value	**280.1**
% increase in NAV with debt at fair value	**12.9%**
% Impact of reinvesting dividends	0.2%
NAV per share % total return with debt at fair value	**13.1%**

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.

	Six months to 30 June 2024 (p)
Opening share price	**238.0**
Increase in share price	25.8
Less: dividends paid	(4.8)
Closing share price	**259.0**
% increase in share price	**10.8%**
% Impact of reinvesting dividends	0.2%
Share price total return	**11.0%**

Value Investing
An investment strategy that aims to identify under-valued 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. In the case of a bond the running yield (or flat or current yield) is the annual interest payable as a percentage of the current market price. The redemption yield (or yield to maturity) allows for any gain or loss of capital which will be realised at the maturity date.

* Alternative Performance Measure.


pod

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