TR Property Investment Trust plc

Financial Report for the half year ended 30 September 2020

TR Property Investment Trust plc

TR Property Investment Trust plc's ("the Company" or "the Trust" or "the Group") investment objective is to maximise shareholders' total returns by investing in the shares and securities of property companies and property related businesses internationally and also in investment property located in the UK.

Introduction

The Company was formed in 1905 and has been a dedicated property investor since 1982. The Company is an Investment Trust and its shares are premium listed on the London Stock Exchange.

Benchmark

The benchmark is the FTSE EPRA/NAREIT Developed Europe Capped Net Total Return Index in Sterling.

Investment Policy

The Company seeks to achieve its objective by investing in shares and securities of property companies and property related businesses on an international basis, although, with a Pan-European benchmark, the majority of the investments will be located in that geographical area. The Company also invests in investment property located in the UK only.

Further details of the Investment Policies, the Asset Allocation Guidelines and policies regarding the use of gearing and derivatives are set out on pages 24 and 25 of the Annual Report, which is available on the Company's website. The current portfolio is shown on page 12.

Investment Manager

BMO Investment Business Limited acts as the Company's alternative investment fund manager ("AIFM") with portfolio management delegated to Thames River Capital LLP ("the Portfolio Manager"). Marcus Phayre-Mudge has managed the portfolio since 1 April 2011 and been part of the Fund Management team since 1997.

Independent Board

The Directors are all independent of the Portfolio Manager and meet regularly to consider investment strategy, to monitor adherence to the stated objective and investment policies and to review performance. Details of how the Board operates and fulfils its responsibilities are set out in the Annual Report.

Performance

The Financial Highlights for the current year are set out opposite and the 10 year performance can be seen alongside the graph on page 3.

Dividend

An interim dividend of 5.20p (2019: 5.20p) will be paid on 8 January 2021 to shareholders on the register on 11 December 2020. The shares will be quoted ex-dividend on 10 December 2020.

Retail Investors advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers ("IFAs") in the UK to ordinary retail investors in accordance with the Financial Conduct Authority ("FCA") rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the FCA's restrictions, which apply to non-mainstream investment products, because they are shares in an authorised investment trust.

Further information

General Shareholder information and details of how to invest in TR Property Investment Trust plc, including an investment through an ISA or saving scheme, can be found on pages 28 to 31. This information can also be found on the Company's website www.trproperty.com

Financial Highlights and Performance

	At 30 September 2020 (Unaudited)	At 31 March 2020 (Audited)	% Change
Balance Sheet			
Net asset value per share	**402.23p**	358.11p	+12.3
Shareholders' funds (£'000)	**1,276,479**	1,136,453	+12.3
Shares in issue at the end of the period (m)	**317.4**	317.4	+0.0
Net debt[1,5]	**16.8%**	7.6%	
Share Price			
Share price	**345.00p**	317.50p	+8.7
Market capitalisation	**£1,095m**	£1,008m	+8.7

	Half year ended 30 September 2020 (Unaudited)	Half year ended 30 September 2019 (Unaudited)	% Change
Revenue and Dividends			
Revenue earnings per share	**7.65p**	9.96p	–23.2
Interim dividend per share	**5.20p**	5.20p	+0.0

	Half year ended 30 September 2020 (Unaudited)	Year ended 31 March 2020 (Audited)
Performance: Assets and Benchmark		
Net Asset Value total return[2,5]	**+14.8%**	–11.5%
Benchmark total return	**+9.8%**	–14.0%
Share price total return[3,5]	**+11.3%**	–16.8%
Ongoing Charges[4,5]		
Including performance fee	**+1.42%**	+0.80%
Excluding performance fee	**+0.66%**	+0.61%
Excluding performance fee and direct property costs	**+0.64%**	+0.59%

1 Net debt is the total value of loan notes and loans (including notional exposure to contracts for difference ("CFDs") and in prior year Total Return Swap) less cash as a proportion of net asset value ("NAV").

2 The NAV Total Return for the year is calculated by reinvesting the dividends in the assets of the Company from the relevant ex-dividend date. Dividends are deemed to be reinvested on the ex-dividend date as this is the protocol used by the Company's benchmark and other indices.

3 The Share Price Total Return is calculated by reinvesting the dividends in the shares of the Company from the relevant ex-dividend date.

4 Ongoing Charges are calculated in accordance with the AIC methodology. The ratio for 30 September 2020 is based on forecast expenses and charges for the year ending 31 March 2021. The performance fee included in the calculation above is the provision at 30 September 2020 referred to in note 2 rather than an estimate of the fee at the year end.

5 Considered to be an Alternative Performance Measure as defined on pages 25 to 26.

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Chairman's Statement

David Watson
Chairman

Introduction

For the six months to 30 September, the Trust delivered a healthy NAV total return of 14.8%, well ahead of the benchmark total return of 9.8%. The share price total return was 11.3% as the discount to the underlying asset value widened slightly over the period.

Whilst these figures are comfortingly positive, they are a six-month snapshot which commenced shortly after the equity market had fallen sharply. Since then there has been a steady recovery in pan European real estate equity share prices as investors took comfort from the significant central bank stimulus and state aid for corporates and individuals.

The COVID-19 crisis has forced a dramatic change in the way we work, consume and relax. It has also had a huge impact on how businesses and consumers use their real estate. For some sectors this has driven an acceleration in trends which were already underway; for others the impact may prove only temporary. The immediate disruption has affected the ability of many tenants to pay their rent whilst for others sustained, or even growing, income has stimulated investor demand. The gulf in valuation between winners and losers has rarely been wider.

Our manager has focused on those businesses with the most sustainable income. Our closed ended, permanent capital structure, as an Investment Trust, has again proved its worth with our ability to acquire shares and take a longer-term view when others are driven to sell.

As far as our own operations are concerned, the business continuity arrangements of the Manager and other third party service providers have proven robust and operations have been able to continue largely as normal.

Revenue Results and Dividend

Revenue earnings for the first half are 7.65p per share, a reduction of 23% from the 9.96p achieved at the same stage in 2019. This reflects the cuts and suspensions of dividends that many companies announced early in the year.

Even so, the Board has announced a maintained interim dividend of 5.20p, the same as the prior year.

Revenue Outlook

Shareholders will remember from previous years that around two thirds of the full year income is usually earned in the first half. Hence, at the time of writing the Board has a reasonably clear understanding of the revenue for the remainder of the current financial year to March 2021. Although the income for the full year will be lower than the prior year, the Board expects to maintain the dividend for the current financial year at a similar level requiring a partial distribution from revenue reserves.

The Board has been cautious with distribution levels for much of the last decade and the Company thus has the benefit of substantial revenue reserves (14.13p per share after payment of the 2020 final dividend) which can be utilised to supplement income and sustain dividend levels until the longer-term picture is clearer. Over the medium term, the Board will clearly assess the sustainable level of dividend once the longer-term earnings capability of the portfolio is established.

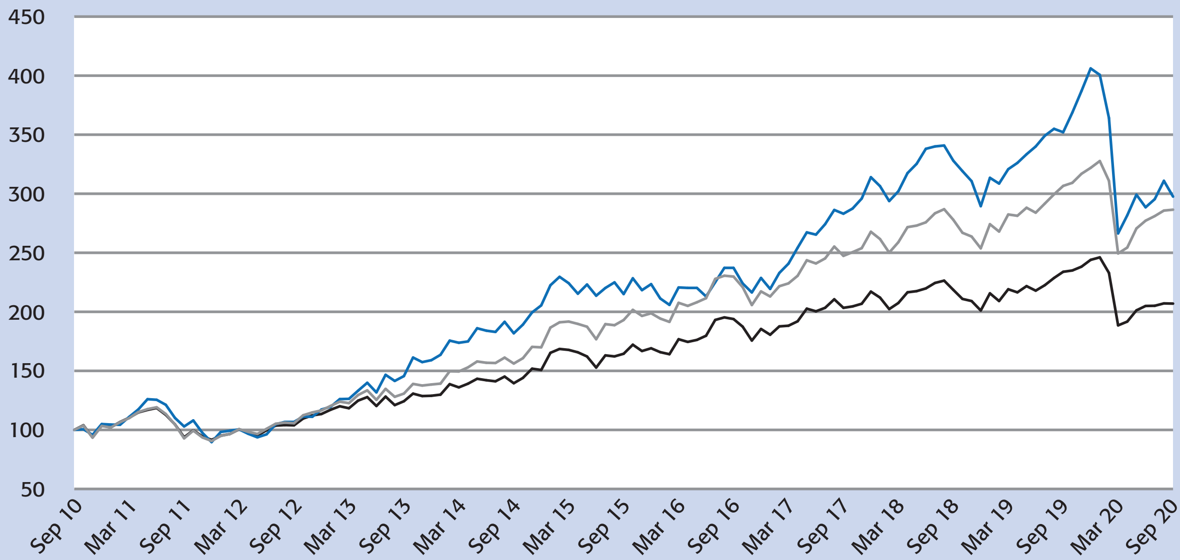
The outlook beyond the current financial year remains extremely difficult to predict. The Manager has focused on stocks producing a reliable income stream and the companies able to deliver this have been in demand driving up capital values. I remind shareholders that the Trust aims to outperform its benchmark in total return terms. At some point the stocks delivering reliable income may become overvalued and the potential for superior capital returns in the unloved sectors becomes too great for us to ignore, which would cause the Trust's revenues to fall.

Net Debt and Currencies

Gearing at the end of September was 16.8%, increasing from 7.6% at the end of March 2020.

Currencies continue to be volatile and we expect this to remain the case as the UK edges towards a deal or no deal Brexit. This will have some impact on the income received in the second half, with a weakening Sterling increasing the value of earnings from non-Sterling holdings and vice versa if Sterling strengthens. There will also be an impact on the capital valuation of the portfolio which has 73.7% of exposure to non-GBP denominated assets. Full details of currency exposures are set out on page 12.

Ordinary Share Class Performance: Total Return over 10 years (rebased)



Index of TR Property net asset value and share price total returns compared with the Benchmark Total Return Index

Benchmark TR (10 year Total Return 107%)
TR Property Share Price TR (10 year Total Return 198%)
TR Property NAV TR (10 year Total Return 186%)

Discount and Share Repurchases

The discount of the share price to the net asset value widened over the period from 11.3% at 31 March to 14.2% at the end of September. The average discount over the six-month period has been 11.6% although the shares have traded in a wide range between 4.1% to 16.1% as should be expected in such turbulent markets.

There were no share repurchases in the half year period.

Outlook

Europe is experiencing a second wave of COVID-19. Local, regional and even national lockdowns have been re-imposed on many millions of people, yet European stock market indices are higher than they were in May 2020. Markets are forward looking. The US election outcome reflects the prospects of further reflationary spending and an initial trade deal (of sorts) looks tantalisingly close for the EU and the UK.

The huge central bank and fiscal stimulus packages across the globe have driven fixed income yields through the floor while the disruption to business activity has resulted in heavy cuts to dividends across a broad spectrum of listed companies. Sustainable investment income is in short supply and those businesses which can deliver – and we are invested in many – will continue to be attractive. For the future, the news on several potential vaccines is hugely encouraging. Their suitability for a fast roll-out to those most at risk would quite rapidly enable large parts of the economy to return to more normal conditions. This could engender a wholesale return to the office and recovery in hospitality with tourism benefiting once broader populations are inoculated. The consequential benefit to the real estate sector has already been felt in share prices in the last couple of weeks.

Although it may seem a little perverse, given the difficult conditions we are all currently enduring, the outlook for real estate equity pricing has improved. The dispersion of returns since March has been so wide that valuations are potentially becoming attractive in some of the least loved sectors of the market. Everything revolves around income security. This presents opportunities for a closed-ended structure where we can selectively acquire such names alongside our core, secure income portfolio.

David Watson
Chairman
26 November 2020

Footnote: The website (www.trproperty.com) provides current and background data on the Trust including an informative monthly fact sheet prepared by the Manager alongside the Half Yearly and Annual Reports.

Interim Management Report and Directors' Responsibility Statement

Interim Management Report

The Chairman's Statement on pages 2 and 3 and the Manager's Report on pages 5 to 11 give details of the important events which have occurred during the period and their impact on the financial statements.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company and an explanation of these risks and how they are managed are set out in the Annual Report and Financial Statements for the year ended 31 March 2020 on pages 28 to 31 (which can be found on the Company's website www.trproperty.com).

The principal risks and uncertainties have not changed since the date of that report. The ongoing situation regarding COVID-19 continues to develop, the impact of this on the results for the six months to 30 September 2020 is covered comprehensively in the Chairman's and Manager's Report together with consequential positioning of the investment portfolio.

Going concern

As stated in note 5 to the financial statements, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the going concern basis is adopted in preparing the condensed financial statements.

Related party transactions

Related party transactions are disclosed in note 8 to the financial statements. There have been no material changes in the related party transactions described in the last annual report.

Directors' Responsibility Statement

The Directors acknowledge responsibility for the interim results and approve this Half-Yearly Financial Report. The principal risks facing the Company are substantially unchanged since the date of the Annual Report for the year ended 31 March 2020 and continue to be as set out in that report.

The Directors of TR Property Investment Trust plc confirm that to the best of their knowledge:

(a) the Half-Yearly Financial Statements have been prepared in accordance with IAS 34 and give a true and fair view of the assets, liabilities, financial position and profit for the period of the Group as required by the Disclosure Guidance and Transparency Rules ("DTR") 4.2.4R;

(b) the Chairman's Statement together with the following Manager's Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the report includes a fair review of the information required by DTR 4.2.8R.

On behalf of the Board

David Watson
Chairman
26 November 2020

The Board members as at the date of the report are listed on page 27.

Manager’s Report

Marcus Phayre-Mudge MRICS
Fund Manager

Performance

The net asset value total return for the six months was 14.8%, ahead of the benchmark total return at 9.8%. Continental property companies collectively returned 11.3% (in local currency terms) again outperforming their UK counterparts (2.1%). When viewed entirely in GBP, the difference is even starker given the weakness in GBP over the period.

The initial impact of the pandemic on European real estate equities saw the benchmark drop 36% from the pre-COVID peak of 19 February 2020 to the most recent trough on 18 March. The new financial year therefore started close to these depressed levels. Whilst the performance in the first half when viewed in isolation is encouraging, it is important to note that the sector remains over 19% below the pre-COVID-19 peak.

Reviewing the attribution, it was another period in which our overweight to logistics/industrial and the underweight to retail delivered relative outperformance. London exposed stocks suffered particularly as office workers have not returned (we estimate office utilisation rates at c25% versus a Continental average of +50%) and this combined with the collapse in tourism (both domestic and international) has hollowed out our global city. Our UK office exposure was concentrated in decentralised offices through CLS and McKay whilst we avoided retail focused names such as Capco and Shaftesbury as well as those businesses with short occupational leases such as Workspace.

German residential continues to be a dominant element of both our universe (accounting for 25% of our benchmark) and the portfolio (30% of net assets). Investors remain drawn towards the very high levels of occupancy (c99%), secure income (virtually no arrears) and fundamental market dynamics. Germany, like all developed countries needs to build more housing. This demand for secure income was a dominant theme in the period with healthcare (Assura, PHP and Target Healthcare) all contributing to performance alongside our supermarket exposure (Supermarket Income REIT in the UK and Cibus in Finland/Sweden). Aside from Cibus, my collective underweight to Sweden generally and in particular the residential names (we prefer Germany) was costly. The Swedish property names, which account for 12% of our investible universe, collectively enjoyed a total return of 30% (in SEK) over the six months with almost all of that gain in one month – September. Investors really bought into the success of their economy reopening with a different approach to management of the health crisis than the rest of Europe.

The pandemic has turned much ‘on its head’ and in our corner of the equity market it was the performance of Swiss property companies which have been much weaker than history would have predicted. Traditionally a safe haven, these stocks have not recovered from the March lows with investors focused on the problematic retail exposure of the largest listed companies. We continue to be underweight in the group. Another surprise has been in self-storage which has reported only very modest contraction in demand. Whilst our stock selection in the UK was correct (Safestore total return +23% versus Big Yellow +5%), the runaway success was Shurguard, the Continental player which returned +42%, which we didn’t own. In our defence, the stock enjoyed strong demand from index trackers as it entered various benchmarks.

The portfolio has some gearing. This was reduced in February and March but has subsequently returned to prior levels. In a period of elevated volatility this requires further explanation. The Trust continues to take advantage of its closed ended structure and holds a number of illiquid small cap stocks. These well-run companies exposed to outperforming subsectors often suffer from investor oversight being deemed too small. As a consequence, in rising markets they often underperform their larger brethren (in market parlance their 'beta' is less than 1). Adding some gearing helps compensate for these lower beta names. Our experience is that over time the underlying property fundamentals would be recognised and if not, then the market would take them private or merge them together. Our physical property exposure also sits outside our benchmark and additional gearing ensures that we are not underexposed to equities versus our benchmark given that a proportion of capital is invested in physical property.

Offices

This sector has suffered from universal negative sentiment as much of Europe's office-based workforce switched to working from home ("WFH"). This all occurred in late March and into April, just as we entered our new financial year. As spring turned to summer we saw a steady increase in returning to working in the office. This was far more pronounced in Continental cities, particularly smaller ones than in London (which holds the unfortunate accolade of the longest average commute of 77 minutes). Evidence from Scandinavian cities (including the largest, Stockholm) indicate office utilisation rates (the levels of occupancy compared with pre-COVID levels) reaching +80%. The major German cities have also reported much higher levels than London and again reflects the size of the city, commute times and the amount of decentralised office space (fewer floors than the CBD towers).

The low level of utilisation in London has clearly impacted existing and potential tenants' behaviour. The silver lining on the proverbial cloud has been the lack of new supply (as commented upon in the Annual Report) which remains well below the long term average. However, as expected, demand has reduced whilst supply, particularly of second hand space, has risen every month since March and is now at 18.1m sq ft (long term average 14m sq ft) a level last seen in 2010. Vacancy overall has now crept up to 6% across Central London but is much more pronounced in the City and Docklands than in the West End.

None of this market behaviour comes as a surprise and has been fully reflected (in our view) in share prices. The surprise has been the robustness of the property investment market and this has been echoed across Europe's dominant cities. Long term capital has looked beyond the current crisis and clearly doesn't buy into the 'end of the office' theory (nor do we). The last quarter of the year has already seen a number of significant transactions with competitive bidding and the major agencies are predicting prime yields to remain stable (initial yields at 3.75% for the West End, 4% for the City) as we progress into 2021. It is important to note that such demand is focused on prime, fit for purpose, buildings.

Paris has seen a similar investment picture with the headline grabbing sale by Unibail-Rodamco-Westfield of SHiFT, a 47,000 sq m brand new office for €620m. However, Paris is experiencing increasing new supply particularly in La Defense and other decentralised markets. Only the core central areas have maintained record low vacancy levels and we remain nervous about the prospects outside of this central sub-market.

As we move into the autumn we are experiencing a second wave of the virus in Europe and the nascent return to office movement appears at risk of being snuffed out. A pattern of tenants extending existing leasing arrangements whilst they assess their future requirements is emerging. WFH will therefore remain a key element of working patterns now and in the future, however the longer it continues to be the default option the greater the realisation that it is no panacea.

Retail

The MSCI/IPD data for six months to the end of September saw all retail property capital values fall –9.1% with shopping centres down –14.5%. We feel that the data is historic and the valuation community collectively have further write downs to make at the calendar year end and beyond. The pandemic has accelerated structural issues which were already well underway prior to February 2020. In fact, I have been commenting on the challenges of our fast-changing spending patterns on physical retail space for many years. The 'double whammy' in the UK is the collapse in the profitability of many physical stores coupled with the use of the CVA process to force landlords to accept reduced rents. Landsec's new CEO, Mark Allen commented at his inaugural Capital Markets Day that he expected rental values to fall a further 25% from their March position.

A consequence of this acceleration in the decline of all metrics (for this sector) has been the utter dearth of transactions. Investors are not yet ready to step in until there is clarity on affordability for tenants.

It is this issue of affordability which separates the (dire) situation of the UK with the (poor) situation in Continental Europe. Historically, short lease lengths and indexation enabled Continental European retailers to adjust rents to market levels much more easily than their UK counterparts. However, there is no room for complacency, the low levels of online retailing in France and Italy (when compared to the UK) is set to change forever with a huge increase in new adopters. Inditex, Europe's largest fashion retailer has announced its objective of having online sales reaching 25% of all turnover by 2022 when compared to 14% in 2019. An extraordinary acceleration in a very short period of time.

Investment markets remain very subdued. The UK saw virtually no material shopping centre transactions in the period. All listed retail landlords have identified the need to reduce their leverage. In the UK, the administrator of Intu is reportedly marketing the Trafford Centre and Hammerson will need to sell assets to support its refinancing. In France, Unibail-Rodamco-Westfield has announced its intention to raise €4bn from selling both Paris office schemes and a number of large shopping centres. It successfully sold a majority stake in 5 centres to Credit Agricole/La Francaise for €1.1bn but this still required substantial vendor financing. New clearing prices for both large and small centres will now be set in the next 12 months as vendors become price takers.

Distribution and Industrial

In the Annual Report I commented on how the supply response, particularly for UK 'big box' logistics assets, had reduced the rate of rental growth in the previous year. However, the last six months has seen demand for these assets (and for their smaller 'last mile' cousins) accelerate. DTRE report record take up in the UK of 32.6m sq ft for the first 3 quarters of 2020, ahead of the previous record set in 2018. Q3 2020 saw the highest ever quarterly figure. Supply of modern units (100,000ft and larger) is just 33m sq ft again, close to record lows. Yet another example of where the crisis has accelerated an existing structural trend. We anticipate further investor demand and potentially yield compression from here.

For broader industrial markets we are seeing the steady maintenance of demand. Looking at previous cycles we would have expected demand to weaken as economies slowed but the structural undersupply particularly in the more valuable suburban environments – where land supply is negligible – is underpinning rents. Again the crisis has revealed the attraction of this asset class with tenants able to continue to occupy and operate their businesses in a COVID-safe manner. Something which is proving much harder to achieve in an office building.

In Continental Europe the previously slower adoption of online retailing is rapidly accelerating. The Centre for Retail Research's (CRR) July 2020 forecast for Western Europe's six largest economies online sales to rise from 12% in 2019 to 16% in 2020. Pre-COVID estimates were for 16% to be reached only in 2022 so the crisis has steepened the trajectory. The UK's experience was that once online sales exceed 12% they gain a momentum which results in a marked increase in logistics demand. Another impact has been the increase in businesses confirming that they are investigating or are already underway with re-shore or near-shore projects. The tag line is 'a little more just in case rather than more just in time'. These structural shifts are evident in the low level of vacancy even through the pandemic. Savills report average vacancy levels rising from 5.1% to just 5.8% in the first half of 2020 across Continental Europe.

Again, investors are following the growth. Logistics investment transaction volumes total €13.3bn in the first half of 2020, less than the €14.5bn in the same period of 2019 but not far behind and quite extraordinary given the lockdown restrictions. Germany was the most active market exceeding €3bn, beating the UK (€2.8bn) and France (€2.1bn). Demand remains very resilient.

Residential

As expected the sector has remained highly resilient during the pandemic. The majority of our investments are in German and Swedish housing where rents are subject to state control. The remaining exposure is Finland and the UK where rents are open-market. The former offer greater security with rents tied to indexation whilst the latter offers more opportunity to capture market growth but with the commensurate risk if vacancy rises and market rents fall. During the crisis, the security of income and very high occupancy levels resulted in the sector retaining its popularity. German housing has experienced price rises in virtually all its sub-markets. Berlin remains the outlier. The rent freeze (Mietendeckel) became law but an appeal is due to be heard by the Federal Constitutional Court in Q1 2021 and most experts expect the law to be nullified on the grounds that such decisions are under Federal not State jurisdiction. One predicted side effect of the rent freeze has already begun to materialise, namely the rapid reduction in new build starts. The fundamentals across Germany are no different to other Western European economies, a shortage of supply. Germany requires 350,000 new units per annum and is currently building less than 250,000. We expect to maintain our overweight position.

Alternatives

This group encompasses sectors who have thrived (supermarkets, healthcare, self-storage) in the crisis and those who have not (student accommodation, hotels). Healthcare encompasses primary healthcare, elderly living and social housing. The best performance has come from those businesses with the most secure (state funded – directly or indirectly) income. This has seen primary care outperform elderly living. However, the underlying funding of elder care across the UK and Continental Europe varies enormously between private and public and this has impacted on investors perceptions of the quality of earnings. Aedifica, Europe's largest listed owner of nursing home facilities returned 13.4% in the six months whilst Target Healthcare, a much smaller, UK provider returned 1.2%. We now favour the latter stock on valuation grounds.

Self-storage has been very resilient through the crisis. Our central thesis is the combination of WFH (people need to declutter the spare room) and the flexibility offered to commercial tenants combined with the city centre locations of much of the listed companies' sites has resulted in demand being resilient.

Our supermarket exposure has been through Supermarket Income REIT (UK) and Cibus (Sweden and Finland). The strong earnings quality from these companies and index-linked income growth combined with dividend yields over 5% remains attractive. Supermarket's latest raise (£200m in October) was upsized given the demand and is the second raise this year (following £140m in April). Alongside industrial and logistics, supermarkets have seen elevated transaction volumes.

Student accommodation revenues have clearly suffered through the crisis, however this sector has solid long term fundamentals. Three factors support our views, rising domestic student numbers (the Millennium 18 year old demographic dip is now behind us) and a desire to increase one of the UK's major exports (tertiary education) will drive growth. In addition, economic downturns (and a fall in school leaver job opportunities) lead to more young adults remaining in education. In the short term, the operational risks are clear but if we are looking for sectors which can rebound faster than underlying economic growth, this is one of them.

Debt and Equity Markets

Debt raisings and refinancings were down on the same period last year, but not by as much as we might have expected given the pan European lockdowns. EPRA recorded €10.3bn for the six months compared to €12.6bn in the same period last year. As noted last year, very low rates have been with us for so long now and durations have mostly been extended resulting in fewer refinancing requirements. German residential companies were prevalent in the period with Vonovia raising €2.5bn in four transactions borrowing 10-year money at 1%. In late October, Gecina, Europe's largest office REIT raised €200m in a 2034 term bond at 0.86%. For the strongest real estate companies bond markets remain very attractive particularly given the ECB's ongoing buying programme.

There were no IPOs in the period, which is not a surprise. However, particularly early in the crisis, we did see a number of strong businesses trading at premiums raise capital for opportunistic expansion. This was in sectors with clear underlying demand, namely healthcare (Assura, Aedifica, Primary Health Properties), self-storage (Big Yellow), logistics/industrial (LondonMetric, SEGRO, VGP), supermarkets (Supermarket Income REIT) and German residential (Vonovia, ADO Properties). The total raised was £3.6bn.

Post the summer we have begun to see the more defensive raises as companies come under cashflow and valuation pressure. This has been primarily in the retail sector with raises at varying depths of discount to the respective undisturbed price depending on the level of distress. Hammerson's £600m raise effectively recapitalised 95% of the pre-raise balance sheet with a 24 for 1 rights issue. Unibail-Rodamco-Westfield announced a proposed €9bn 'Reset' plan comprising €3.5bn capital raise, dividend cancellation and a planned €4bn of disposals. Post the period end, Shaftesbury announced a £300m placing and open offer at 400p, a 20% discount to the undisturbed price and a 54% discount to their last published net asset value. The company needs to raise capital to enable its lenders to grant waivers as otherwise it would breach a number of interest cover ratio requirements. For owners of retail property this is both a cashflow and valuation crisis.

Property shares

After the initial recovery in late March and early April, pan European property shares were tightly range bound through the Spring. They enjoyed a further step up in recovery in late May as European economies began to reopen but then continued their range bound (6% peak to trough) performance to the end of the period. To illustrate the point, the index value on 15 June and 30 September were virtually identical.

However, underneath this blended performance we have experienced some of the greatest divergence in sub-sector returns since the global financial crisis. The period witnessed the dramatic acceleration of already evident structural change in the retail/logistics trade off. However the pandemic also started a worldwide rethink on how we might use office space in the future. Alongside these questions over the built environment, investors also saw the opportunity to buy high quality, index-linked income streams (healthcare, private residential and supermarkets) just as fixed income yields became even skinnier than before. The hunt for yield has become even harder.

A sample of performance figures amply make the point. In the UK, SEGRO's total return in the period was +25% as it was for our preferred self-storage operator, Safestore. The standout logistics performance was Tritax Bigbox at +46%, whilst Hammerson was the same figure but with a minus sign in front. Intu's negative performance was –100% as the company moved into administration and delisted with the equity evaporated. Capital & Regional's total return was –55% even with a new cornerstone investor (the South African listed company, Growthpoint). The picture was the same across Europe, WDP (Europe's largest logistics owner/developer) +22% and Argan (our favourite small cap logistics owner/developer) +23%, whilst Unibail-Rodamco-Westfield and Klepierre recorded total returns of –39% and –27% respectively.

Investment Activity

Turnover (purchases and sales divided by two) totalled £325m equating to 25% of the average net assets over the period. This was more than double the £157.8m for the same period last year. The increase reflects a number of factors, the most significant being the reinvestment in the portfolio which occurred in April and May as share prices recovered from their March lows coupled with the participation in a large number of offensive capital raises as described earlier.

As we move into the second half of the financial year, the number of defensive capital raisings are beginning to mount. The general meeting ("GM") for the Unibail-Rodamco-Westfield 'Reset' proposal was held on 10 November and the vocal minority opposing the deeply discounted capital raise successfully blocked the raise as well as voting in three activists onto the Board, led by the ex-CEO, Leon Bressler. Shaftesbury's GM will be less contentious with the two cornerstone investors (Norges and Capco) owning 50% of the equity between them. However, raising equity at over 50% discount to the last published NAV is a bitter pill for shareholders. We have participated in the raise.

The high levels of share price volatility within the tight overall trading range coupled with the outperformance of certain sectors and the continuing deterioration of others resulted in relatively little overall portfolio repositioning. However, there was a handful of significant changes within both our overweight and underweight sectors. Within German residential, I reduced exposure to Deutsche Wohnen whilst increasing the Berlin small cap Phoenix Spree but overall exposure to Berlin residential changed little. Our exposure to broader German residential did increase with additional investment in Vonovia, LEG and TAG. Our London office exposure fell with the sale of the entire Workspace position as we rotated away from companies with short term income weakness whilst increasing our holding in Derwent London. In Sweden, we reduced exposure to Stockholm offices (Fabege and Kungsleden) whilst increasing exposure to Swedish/Finnish supermarkets through Cibus. Within the logistics space we took substantial profits in LondonMetric, recycling into Argan in France, Montea and VGP in Belgium and VIB Vermoegen in Germany. The sales in LondonMetric were valuation based and we continue to have a significant holding and full confidence in management. Although London office exposure fell, we added to German cities through Aroundtown and CLS Holdings.

Revenue and Revenue Outlook

Revenue collected in the first half of the year amounted to around 77% of the prior year level. At the beginning of the financial period a number of companies announced the suspension of dividends or cuts in response to the COVID pandemic. Some of these were at least partially restored later in the year and our portfolio was well positioned towards the sectors which have maintained dividend levels, however companies remain cautious and we expect to see a continued lower level of income in the second half.

Income from our direct portfolio has remained relatively robust and, at the time of writing, we have collected 88% of the total rent roll with agreed deferrals of 4%. Of the remaining 8% we are chasing 5% with 3% having been written off to help support two of our four retail tenants at the Colonnades.

Our income from the equity portfolio is not received evenly throughout the year and the first half usually represents around two thirds of the full year income. Non-sterling income will also be subject to exchange rate fluctuations, with more volatility likely as the Brexit deadline approaches and negotiations continue.

The effective tax rate has reduced from a prior year level of 10.5% at the half year stage to 8.4%, largely due to favourable withholding tax rates on dividends received in the first half.

The longer-term outlook is difficult to predict, the uncertainty around COVID-19 continues and at the time of writing many European countries and the UK are in a second phase of lockdowns. This will continue to put pressure on rent collection from a number of users of real estate, although, as already set out in this report some sectors have benefited or at least remained robust. Currently the portfolio is well positioned towards these users, but as flagged in the Chairman's report, valuation considerations may cause this to change.

In the meantime, the Board has announced an interim dividend in line with the prior year and an intention to utilise reserves for a period of time until a longer-term view emerges.

Gearing and Debt

Gearing at 16.8% has increased substantially from the 7.6% at the year end and I touched on the background to this earlier in this report. Three quarters of the debt drawn at the half year stage was derived from flexible short term borrowing or gearing through the use of CFDs giving a high degree of flexibility to adjust if market conditions change.

We continue to source our debt from a variety of sources and at the time of writing have just agreed a renewal and increase in our facility from ICBC. Other facilities renew at different points in the year and as they do we will consider the amounts and maturity dates. It is our aim to maintain a variety of sources and maturity dates.

Direct Property Portfolio

The physical property portfolio produced a total return of –1.2% composed of a capital return of –2.9% and an income return of 1.7%. In contrast the IPD Monthly Index produced a total return of –1.6% made up of a capital return of –4.3% and an income return of 2.8%.

The September valuation fall was driven by deteriorating sentiment towards all retail property. Whilst our non-food retail exposure is restricted to just four units at the Colonnades in Bayswater, the valuers' estimated rental values were marked-down and investment yields rose resulting in a £3m write down in the £100m portfolio.

The industrial component of the portfolio performed well over the six months with industrial occupational demand and investment activity remaining robust. At our industrial estate in Wandsworth we successfully let four units during the lockdown to a variety of tenants. All leases are now deliberately short term to preserve the redevelopment flexibility following the successful receipt in November 2019 of planning permission to redevelop the estate.

Outlook

In the Annual Report I emphasised our focus on businesses whose cashflow had suffered minimal disruption through the crisis. The huge amount of central bank stimulus and government fiscal support has ensured that for the vast majority of property companies, this remains a liquidity rather than solvency crisis.

In the last few days, news of potential vaccines has driven markets higher even as we all endure a second phase of lockdown. In the short term, improvements in all aspects of the testing regime will increase mobility, with the vaccines hopefully reaching much of the population through 2021.

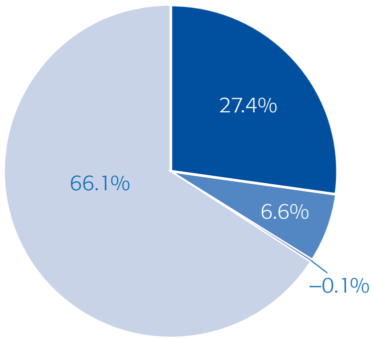
Even at that point, all nations will still need to grapple with the huge additional debt burden and we believe real assets will remain a key cornerstone for institutional investors as we look to an elongated period of very low interest rates.

As I have highlighted in previous reports, much more real estate is owned privately than via public markets. If listed companies continue to trade at significant discounts to asset value then we would expect to see more 'public to private', particularly given the amount of capital searching for returns.

Marcus Phayre-Mudge
Fund Manager
26 November 2020

Portfolio

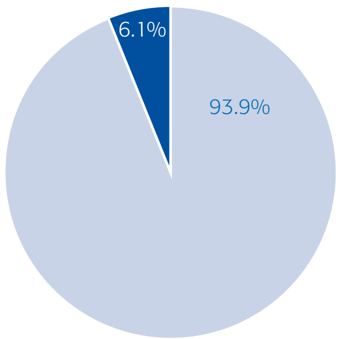
Distribution of Investments
as at 30 September 2020



Distribution of Investments
as at:

	30 Sept 2020 £'000	30 Sept 2020 %	31 Mar 2020 £'000	31 Mar 2020 %
UK Securities – quoted	**381,238**	**27.4**	352,188	30.4
UK Investment Properties	**91,579**	**6.6**	94,510	8.1
UK Total	**472,817**	**34.0**	446,698	38.5
Continental Europe Securities				
– quoted	**920,552**	**66.1**	708,597	61.1
Investments held at fair value	**1,393,369**	**100.1**	1,155,295	99.6
– CFD (creditor)/debtor[1]	**(2,066)**	**(0.1)**	8,698	0.7
– TRS creditor[2]	**–**	**–**	(3,808)	(0.3)
Total Investment Positions	**1,391,303**	**100.0**	1,160,185	100.0

Investment Exposure
as at 30 September 2020



Investment Exposure
as at:

	30 Sept 2020 £'000	30 Sept 2020 %	31 Mar 2020 £'000	31 Mar 2020 %
UK Securities				
– quoted	**381,238**	**25.5**	352,188	28.9
– CFD exposure[3]	**36,255**	**2.4**	32,257	2.6
– TRS exposure[4]	**–**	**–**	6,598	0.5
UK Investment Properties	**91,579**	**6.1**	94,510	7.8
UK Total	**509,072**	**34.0**	485,553	39.8
Continental Europe Securities				
– quoted	**920,552**	**61.5**	708,597	58.2
– CFD exposure[3]	**67,559**	**4.5**	24,471	2.0
Total Investment Exposure[5]	**1,497,183**	**100.0**	1,218,621	100.0

Portfolio Summary
as at:

	30 Sept 2020	31 Mar 2020	31 Mar 2019	31 Mar 2018	31 Mar 2017
Total investments	**£1,393m**	£1,155m	£1,291m	£1,316m	£1,145m
Net assets	**£1,276m**	£1,136m	£1,328m	£1,256m	£1,118m
UK quoted property shares	**27%**	31%	33%	31%	29%
Overseas quoted property shares	**66%**	61%	59%	62%	63%
Direct property (externally valued)	**7%**	8%	8%	7%	8%

Net Currency Exposures
as at 30 September 2020

	Fund %	Benchmark %
GBP	26.3	26.6
EUR	52.1	51.6
CHF	7.4	7.5
SEK	13.0	13.3
NOK	1.2	1.0

1 Net unrealised gain/(loss) on CFD contracts held as balance sheet debtor/(creditor).
2 Net unrealised loss on total return swap ("TRS") contract held as balance sheet creditor.
3 Gross value of CFD positions.
4 Gross value of TRS position.
5 Total investments illustrating market exposure including the gross value of CFD and TRS positions.

Investment Portfolio by Country

as at 30 September 2020

	£'000	Market value %
Austria		
CA Immobilien	6,785	0.5
	6,785	**0.5**
Belgium		
Warehousing and Distribution de Pauw	30,193	2.2
Aedifica	14,369	1.0
Cofinimmo	9,147	0.7
VGP	7,434	0.5
Care Property	5,793	0.4
Xior	5,062	0.4
Montea	2,814	0.2
Intervest Offices & Warehouses	2,188	0.2
Wereldhave	261	–
	77,261	**5.6**
Finland		
Kojamo	25,294	1.8
	25,294	**1.8**
France		
Argan	60,142	4.3
Gecina	23,189	1.7
Covivio	11,797	0.8
Mercialys	1,265	0.1
Altarea	1,077	0.1
	97,470	**7.0**
Germany		
Vonovia	182,662	13.1
LEG	86,108	6.2
Deutsche Wohnen	45,857	3.3
TAG Immobilien	42,273	3.0
VIB Vermoegen	32,928	2.4
Aroundtown	28,917	2.1
Alstria	8,075	0.6
Grand City Properties	1,870	0.1
	428,690	**30.8**
Ireland		
Irish Residential Properties	2,650	0.2
Hibernia REIT	1,682	0.1
	4,332	**0.3**
Netherlands		
Unibail-Rodamco-Westfield	14,238	1.0
Eurocommercial Properties	9,707	0.7
NSI	3,874	0.3
	27,819	**2.0**
Norway		
Entra	32,565	2.3
	32,565	**2.3**
Spain		
Arima Real estate	19,133	1.4
Merlin	4,244	0.3
	23,377	**1.7**

	£'000	Market value %
Sweden		
Fabege	37,012	2.7
Kungsleden	29,993	2.2
Wihlborgs	26,042	1.9
Cibus	18,575	1.3
Fastighets Balder	17,734	1.3
Castellum	13,908	1.0
Catena	9,586	0.7
Samhallsbyggnadsbolaget	5,873	0.4
Nyfosa	3,652	0.2
Pandox	3,540	0.2
	165,915	**11.9**
Switzerland		
PSP	31,044	2.2
	31,044	**2.2**
United Kingdom		
SEGRO	47,561	3.4
Unite Group	33,280	2.4
Safestore Holdings	31,565	2.3
Assura	29,168	2.1
Landsec	28,757	2.1
LondonMetric Property	27,552	2.0
Stenprop	26,988	1.9
CLS Holdings	24,095	1.7
Phoenix	23,059	1.7
Supermarket Income REIT	17,302	1.2
McKay Securities	16,275	1.2
Derwent London	15,120	1.1
Sirius	14,239	1.0
Secure Income REIT	11,507	0.8
Great Portland Estates	9,346	0.7
Picton	7,439	0.5
PRS REIT	7,187	0.5
Target Healthcare	4,936	0.4
Primary Health Properties	3,813	0.3
Atrato Capital	898	0.1
Shaftesbury	608	–
Capital & Regional	543	–
	381,238	**27.4**
Direct Property	**91,579**	**6.6**
CFD Positions (included in current liabilities)	**(2,066)**	**(0.1)**
Total Investment Positions	**1,391,303**	**100.0**

Companies shown by country of listing.

Investment Properties

as at 30 September 2020

Spread of Direct Portfolio by Capital Value (%)
as at 30 September 2020

	Retail	Industrial	Residential and Ground Rents	Other	Total
West End of London	40.5	–	13.7	0.6	54.8
Inner London	1.4	27.1	–	–	28.5
South West	–	16.7	–	–	16.7
Total	**41.9**	**43.8**	**13.7**	**0.6**	**100.0**

Lease Lengths within the Direct Property Portfolio
as at 30 September 2020

	Gross rental income
0 to 5 years	37%
5 to 10 years	15%
10 to 15 years	6%
15 to 20 years	41%
20+ years	1%
	100%

Contracted Rent

Year 1	£3,300,000
Years 2-5	£11,000,000
Years 5+	£17,500,000
	£31,800,000

Value in excess of £10 million

The Colonnades, Bishops Bridge Road, London W2

Sector	**Mixed Use**	
Tenure	**Freehold**	
Size (sq ft)	**64,000**	
Principal tenants	**Waitrose Ltd** **Graham & Green**	**1Rebel** **Specsavers**

The property comprises a large mixed-use block in Bayswater, constructed in the mid-1970s. The site extends to approximately 2 acres on the north east corner of the junction of Bishops Bridge Road and Porchester Road, close to Bayswater tube station and the Whiteleys Shopping Centre. The commercial element was extended and refurbished in 2015 with a new 20 year lease being agreed with Waitrose.

Ferrier Street Industrial Estate, Wandsworth, London SW18

Sector	**Industrial**	
Tenure	**Freehold**	
Size (sq ft)	**36,000**	
Principal tenants	**Mossimans** **Kougar Tool Hire Ltd**	**Page Lacquer**

Site of just over an acre, 50 metres from Wandsworth Town railway station in an area that is predominantly residential. The estate comprises 16 small industrial units generally let to a mix of small to medium-sized private companies. Planning permission granted in December 2019 for a mixed-use employment led redevelopment.

Value less than £10 million

Yodel Unit, Woodlands Park, Almondsbury, Bristol BS32

Sector	**Industrial**
Tenure	**Freehold**
Size (sq ft)	**53,000**
Principal tenants	**Yodel Delivery Network Ltd**

Located on the junction of the M4 and M5, this industrial building is let to Yodel, the parcel delivery company, on a lease expiring in 2025. The building sits on a 5.75-acre site giving a low site density and a large yard offering a variety of alternative uses for the site.

IO Centre, Gloucester Business Park, Gloucester GL3

Sector	**Industrial**
Tenure	**Freehold**
Size (sq ft)	**63,000**
Principal tenants	**Infusion GB**

The IO Centre comprises six industrial units occupied by two tenants and sits on a 4.5-acre site. Gloucester Business Park is located to the east of Junction 11A of the M5 and one mile to the east of Gloucester City Centre. The property also has easy access to the A417 providing good links to the M4 via junction 15.

Group Statement of Comprehensive Income

for the half year ended 30 September 2020

	(Unaudited) Half year ended 30 September 2020 Revenue Return £'000	Capital Return £'000	Total £'000	(Unaudited) Half year ended 30 September 2019 Revenue Return £'000	Capital Return £'000	Total £'000	(Audited) Year ended 31 March 2020 Revenue Return £'000	Capital Return £'000	Total £'000
Income									
Investment income	**24,825**	**–**	**24,825**	31,141	–	31,141	47,112	–	47,112
Other operating income	**2**	**–**	**2**	13	–	13	35	–	35
Gross rental income	**1,612**	**–**	**1,612**	1,763	–	1,763	3,415	–	3,415
Service charge income	**516**	**–**	**516**	1,039	–	1,039	1,786	–	1,786
Gains/(losses) on investments held at fair value	**–**	**169,161**	**169,161**	–	79,313	79,313	–	(153,614)	(153,614)
Net movement on foreign exchange; investments and loan notes	**–**	**(659)**	**(659)**	–	6,881	6,881	–	11,296	11,296
Net movement on foreign exchange; cash and cash equivalents	**–**	**430**	**430**	–	(41)	(41)	–	302	302
Net returns on contracts for difference	**1,923**	**(13,489)**	**(11,566)**	4,365	(2,174)	2,191	5,724	(41,276)	(35,552)
Net return on total return swap	**–**	**–**	**–**	–	–	–	–	(3,808)	(3,808)
Total income	**28,878**	**155,443**	**184,321**	38,321	83,979	122,300	58,072	(187,100)	(129,028)
Expenses									
Management and performance fees (note 2)	**(759)**	**(11,774)**	**(12,533)**	(769)	(4,390)	(5,159)	(1,570)	(7,392)	(8,962)
Direct property expenses, rent payable and service charge costs	**(679)**	**–**	**(679)**	(1,168)	–	(1,168)	(1,984)	–	(1,984)
Other administrative expenses	**(610)**	**(297)**	**(907)**	(625)	(302)	(927)	(1,398)	(615)	(2,013)
Total operating expenses	**(2,048)**	**(12,071)**	**(14,119)**	(2,562)	(4,692)	(7,254)	(4,952)	(8,007)	(12,959)
Operating profit/(loss)	**26,830**	**143,372**	**170,202**	35,759	79,287	115,046	53,120	(195,107)	(141,987)
Finance costs	**(328)**	**(983)**	**(1,311)**	(412)	(1,236)	(1,648)	(814)	(2,443)	(3,257)
Profit/(loss) from operations before tax	**26,502**	**142,389**	**168,891**	35,347	78,051	113,398	52,306	(197,550)	(145,244)
Taxation	**(2,237)**	**1,299**	**(938)**	(3,737)	1,954	(1,783)	(5,912)	3,149	(2,763)
Total comprehensive income	**24,265**	**143,688**	**167,953**	31,610	80,005	111,615	46,394	(194,401)	(148,007)
Earnings/(loss) per Ordinary share (note 3)	**7.65p**	**45.28p**	**52.93p**	9.96p	25.21p	35.17p	14.62p	(61.26)p	(46.64)p

The total column of this statement represents the Group's Statement of Comprehensive Income, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

The Group does not have any other income or expense that is not included in the above statement therefore "Total comprehensive income" is also the profit for the period.

All income is attributable to the shareholders of the parent company.

The final Ordinary dividend of 8.80p (2019: 8.60p) in respect of the year ended 31 March 2020 was declared on 29 May 2020 (2019: 30 May 2019) and was paid on 4 August 2020 (2019: 30 July 2019). This can be found in the Group Statement of Changes in Equity for the half year ending 30 September 2020.

The interim Ordinary dividend of 5.20p (2020: 5.20p) in respect of the year ended 31 March 2021 was declared on 27 November 2020 (2020: 28 November 2019) and will be paid on 8 January 2021 (2020: 7 January 2020).

Group and Company Statement of Changes in Equity

For the half year ended 30 September 2020 (Unaudited)	**Share Capital Ordinary £'000**	**Share Premium Account £'000**	**Capital Redemption Reserve £'000**	**Retained Earnings Ordinary £'000**	**Total £'000**
At 31 March 2020	**79,338**	**43,162**	**43,971**	**969,982**	**1,136,453**
Net profit for the half year	**–**	**–**	**–**	**167,953**	**167,953**
Dividends paid	**–**	**–**	**–**	**(27,927)**	**(27,927)**
At 30 September 2020	**79,338**	**43,162**	**43,971**	**1,110,008**	**1,276,479**

For the half year ended 30 September 2019 (Unaudited)	Share Capital Ordinary £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Total £'000
At 31 March 2019	79,338	43,162	43,971	1,161,783	1,328,254
Net profit for the half year	–	–	–	111,615	111,615
Dividends paid	–	–	–	(27,292)	(27,292)
At 30 September 2019	79,338	43,162	43,971	1,246,106	1,412,577

For the year ended 31 March 2020 (Audited)	Share Capital Ordinary £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Total £'000
At 31 March 2019	79,338	43,162	43,971	1,161,783	1,328,254
Net profit for the year	–	–	–	(148,007)	(148,007)
Dividends paid	–	–	–	(43,794)	(43,794)
At 31 March 2020	79,338	43,162	43,971	969,982	1,136,453

Group Balance Sheet

as at 30 September 2020

	30 September 2020 (Unaudited) £'000	30 September 2019 (Unaudited) £'000	31 March 2020 (Audited) £'000
Non-current assets			
Investments held at fair value	**1,393,369**	1,423,356	1,155,295
Deferred taxation asset	**–**	74	–
	1,393,369	1,423,430	1,155,295
Current assets			
Debtors	**50,380**	70,503	60,094
Cash and cash equivalents	**17,857**	40,503	40,129
	68,237	111,006	100,223
Current liabilities	**(124,773)**	(62,625)	(59,711)
Net current (liabilities)/assets	**(56,536)**	48,381	40,512
Total assets less current liabilities	**1,336,833**	1,471,811	1,195,807
Non-current liabilities	**(60,354)**	(59,234)	(59,354)
Net assets	**1,276,479**	1,412,577	1,136,453
Capital and reserves			
Called up share capital	**79,338**	79,338	79,338
Share premium account	**43,162**	43,162	43,162
Capital redemption reserve	**43,971**	43,971	43,971
Retained earnings (note 7)	**1,110,008**	1,246,106	969,982
Equity shareholders' funds	**1,276,479**	1,412,577	1,136,453
Net asset value per:			
Ordinary share	**402.23p**	445.12p	358.11p

Group Cash Flow Statement

for the half year ended 30 September 2020

	Half year ended 30 September 2020 (Unaudited) £'000	Half year ended 30 September 2019 (Unaudited) £'000	Year ended 31 March 2020 (Audited) £'000
Reconciliation of profit/(loss) from operations before tax to net cash outflow from operating activities			
Profit/(loss) from operations before tax	**168,891**	113,398	(145,244)
Finance costs	**1,311**	1,648	3,257
(Gains)/losses on investments and derivatives held at fair value through profit or loss	**(155,672)**	(77,139)	198,698
Net movement on foreign exchange; cash and cash equivalents and loan notes	**678**	1,191	859
Decrease in accrued income	**1,987**	1,745	584
(Increase)/decrease in other debtors	**(4,028)**	(16,618)	4,447
Increase/(decrease) in other creditors	**2,985**	(2,628)	2,047
Net (purchases)/sales of investments	**(68,538)**	(58,374)	(66,833)
Decrease/(increase) in sales settlement debtor	**3,444**	3,583	(1,417)
(Decrease)/increase in purchase settlement creditor	**(5,975)**	(1,474)	4,501
Scrip dividends included in investment income	**(5,903)**	(3,310)	(3,370)
Scrip dividends included in net returns on contracts for difference	**(1,007)**	(439)	(448)
Net cash outflow from operating activities before interest and taxation	**(61,827)**	(38,417)	(2,919)
Interest paid	**(1,302)**	(1,777)	(3,421)
Taxation paid	**(1,646)**	(1,252)	(2,321)
Net cash outflow from operating activities	**(64,775)**	(41,446)	(8,661)
Financing activities			
Equity dividends paid	**(27,927)**	(27,292)	(43,794)
Drawdown of loans	**70,000**	57,000	40,000
Net cash from/(used in) financing activities	**42,073**	29,708	(3,794)
Decrease in cash	**(22,702)**	(11,738)	(12,455)
Cash and cash equivalents at start of the period	**40,129**	52,282	52,282
Net movement on foreign exchange; cash and cash equivalents	**430**	(41)	302
Cash and cash equivalents at end of the period	**17,857**	40,503	40,129
Note			
Dividends received	**27,727**	38,185	52,003
Interest received	**3**	14	37

Notes to the Financial Statements

1 Basis of accounting

The accounting policies applied in these interim financial statements are consistent with those applied in the Company's most recent annual financial statements. The financial statements have been prepared on a going concern basis and in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'.

The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP), "Financial Statements of Investment Trust Companies and Venture Capital Trusts," issued in October 2019, to the extent that it is consistent with IFRS.

In assessing going concern the Board has made a detailed assessment of the ability of the Company and Group to meet its liabilities as they fall due, including stress and liquidity tests which considered the effects of substantial falls in investment valuations, substantial reductions in revenue received and reductions in market liquidity including the effects and potential effects of the current economic impact caused by the Coronavirus pandemic.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

In accordance with IFRS 10, the Company has been designated as an investment entity on the basis that:

- It obtains funds from investors and provides those investors with investment management services;
- It commits to its investors that its business purpose is to invest solely for returns from capital appreciation and investment income; and
- It measures and evaluates performance of substantially all of its investments on a fair value basis.

Each of the subsidiaries of the Company was established for the sole purpose of operating or supporting the investment operations of the Company (including raising additional financing), and is not itself an investment entity. IFRS 10 sets out that in the case of controlled entities that support the investment activity of the investment entity, those entities should be consolidated rather than presented as investments at fair value. Accordingly, the Company has consolidated the results and financial positions of those subsidiaries.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are based on consistent accounting policies. All intra-group balances and transactions, including unrealised profits arising therefrom, are eliminated. This is consistent with the presentation in previous periods.

All the subsidiaries of the Company have been consolidated in these financial statements.

The following International Reporting Standards' amendments and Framework have been applied in the preparation of the interim financial statements:

IFRS 3 amendments (effective 1 January 2020). The amendments provide more guidance on the definition of a business to assist in determining whether a transaction results in an asset or a business acquisition. The amendments did not have a material impact on the Group's financial statements.

Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (effective 1 January 2020). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk free interest rate. The amendments did not have a material impact on the Group's financial statements.

Amendments to IAS 1 and IAS 8 – Definition of Material (effective 1 January 2020) The International Accounting Standards Board has refined its definition of "material" and issued practical guidance on applying the concept of materiality. The amendments did not have a material impact on the Group's financial statements.

The Conceptual Framework for Financial Reporting (effective 1 January 2020). The Conceptual Framework is not a standard however its purpose is to outline a set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in understanding and interpreting the standards.

Notes to the Financial Statements

continued

2 Management fees

	(Unaudited) Half year ended 30 September 2020 Revenue Return £'000	Capital Return £'000	Total £'000	(Unaudited) Half year ended 30 September 2019 Revenue Return £'000	Capital Return £'000	Total £'000	(Audited) Year ended 31 March 2020 Revenue Return £'000	Capital Return £'000	Total £'000
Management fee	**759**	**2,279**	**3,038**	769	2,306	3,075	1,570	4,709	6,279
Performance fee	**—**	**9,495**	**9,495**	—	2,084	2,084	—	2,683	2,683
	759	**11,774**	**12,533**	769	4,390	5,159	1,570	7,392	8,962

A provision has been made for a performance fee based on the net assets at 30 September 2020. No payment is due until the full year performance fee is calculated at 31 March 2021.

3 Earnings/(loss) per Ordinary share

The earnings/(loss) per Ordinary share can be analysed between revenue and capital, as below.

	Half year ended 30 September 2020 (Unaudited) £'000	Half year ended 30 September 2019 (Unaudited) £'000	Year ended 31 March 2020 (Audited) £'000
Net revenue profit	**24,265**	31,610	46,394
Net capital profit/(loss)	**143,688**	80,005	(194,401)
Net total profit/(loss)	**167,953**	111,615	(148,007)
Weighted average number of Ordinary shares in issue during the period	**317,350,980**	317,350,980	317,350,980

	pence	pence	pence
Revenue earnings per Ordinary share	**7.65**	9.96	14.62
Capital earnings/(loss) per Ordinary share	**45.28**	25.21	(61.26)
Earnings/(loss) per Ordinary share	**52.93**	35.17	(46.64)

4 Changes in share capital

During the half year and since 30 September 2020 no Ordinary shares have been purchased and cancelled.

As at 30 September 2020 there were 317,350,980 Ordinary shares (30 September 2019: 317,350,980; 31 March 2020: 317,350,980 Ordinary shares) of 25p in issue.

5 Going concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements. The assets of the Company consist mainly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to meet its liabilities as and when they fall due and continue in operational existence for the foreseeable future.

6 Fair value of financial assets and financial liabilities

Financial assets and financial liabilities are carried in the Balance Sheet either at their fair value (investments) or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends and interest receivable, due to brokers, accruals and cash at bank).

Fair value hierarchy disclosures

The table below sets out fair value measurements using IFRS 13 fair value hierarchy.

Financial assets/(liabilities) at fair value through profit or loss

At 30 September 2020	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	**1,300,893**	**–**	**897**	**1,301,790**
Investment properties	**–**	**–**	**91,579**	**91,579**
Contracts for difference	**–**	**(2,066)**	**–**	**(2,066)**
Foreign exchange forward contracts	**–**	**2,427**	**–**	**2,427**
	1,300,893	**361**	**92,476**	**1,393,730**

At 30 September 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,332,042	–	377	1,332,419
Investment properties	–	–	90,937	90,937
Contracts for difference	–	4,139	–	4,139
	1,332,042	4,139	91,314	1,427,495

At 31 March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,060,103	–	682	1,060,785
Investment properties	–	–	94,510	94,510
Contracts for difference	–	8,698	–	8,698
Total return swap	–	(3,808)	–	(3,808)
Foreign exchange forward contracts	–	(5,609)	–	(5,609)
	1,060,103	(719)	95,192	1,154,576

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in an active market for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices within level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Contracts for Difference are synthetic equities and are valued by reference to the investments' underlying market values.

Valuations of Investment Properties – Level 3

The Group carries its investment properties at fair value in accordance with IFRS 13, revalued twice a year, with changes in fair values being recognised in the Group Statement of Comprehensive Income. The Group engaged Knight Frank LLP as independent valuation specialists to determine fair value as at 30 September 2020.

Determination of the fair value of investment properties has been prepared on the basis defined by the RICS Valuation – Global Standards (The Red Book Global Standards) as follows:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The valuation takes into account future cash flow from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These assumptions are based on local market conditions existing at the balance sheet date.

In arriving at their estimates of fair values as at 30 September 2020, the valuers have used their market knowledge and professional judgement and have not only relied solely on historical transactional comparables.

Reconciliation of movements in Financial assets categorised as level 3

At 30 September 2020	31 March 2020 £'000	Purchases £'000	Sales £'000	Appreciation/ (Depreciation) £'000	**30 September 2020 £'000**
Unlisted equity investments	682	–	–	215	**897**
Investment properties					
– Mixed use	52,623	52	(322)	(2,439)	**49,914**
– Office & Industrial	41,887	74	–	(296)	**41,665**
	94,510	126	(322)	(2,735)	**91,579**
	95,192	126	(322)	(2,520)	**92,476**

Transfers between hierarchy levels

There were no transfers between any levels during the period.

Sensitivity information

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of investment properties are:

- Estimated rental value: £6.5 – £65 per sq ft
- Capitalisation rates: 2.0% – 6.0%

Significant increases (decreases) in estimated rental value and rent growth in isolation would result in a significantly higher (lower) fair value measurement. A significant increase (decrease) in capitalisation rates in isolation would result in a significantly lower (higher) fair value measurement.

Loan Notes

On the 10 February 2016, the Company issued 1.92% Unsecured Euro 50,000,000 Loan Notes and 3.59% Unsecured GBP 15,000,000 Loan Notes which are due to be redeemed at par on the 10 February 2026 and 10 February 2031 respectively.

The fair value of the 1.92% Euro Loan Notes at 30 September 2020 was £45,956,000 (30 September 2019: £44,429,000) and (31 March 2020: £44,418,000).

The fair value of the 3.59% GBP Loan Notes at 30 September 2020 was £15,794,000 (30 September 2019: £15,566,000) and (31 March 2020: £15,553,000).

Using the IFRS 13 fair value hierarchy the Loan Notes are deemed to be categorised within Level 2.

The loan notes agreement requires compliance with a set of financial covenants, including:

- Total Borrowings shall not exceed 33% of Adjusted Net Asset Value;
- the Adjusted Total Assets shall at all times be equivalent to a minimum of 300% of Total Borrowings; and
- the Adjusted NAV shall not be less than £260,000,000.

The Company and Group complied with the terms of the loan notes agreement throughout the half year period.

Multi-currency revolving loan facilities

The Group also has unsecured, multi-currency, revolving short-term loan facilities totalling £110,000,000 (30 September 2019: £65,000,000) and (31 March 2020: £110,000,000). At 30 September 2020, £110,000,000 was drawn on these facilities (30 September 2019: £57,000,000) and (31 March 2020: £40,000,000). The fair value is considered to approximate the carrying value and the interest is paid at a margin over LIBOR.

7 Retained earnings

	30 September 2020 (Unaudited) £'000	30 September 2019 (Unaudited) £'000	31 March 2020 (Audited) £'000
Investment holding gains	**354,216**	479,787	206,072
Realised capital reserves	**686,692**	691,839	691,148
	1,040,908	1,171,626	897,220
Revenue reserve	**69,100**	74,480	72,762
	1,110,008	1,246,106	969,982

8 Related party transactions

There have been no material related party transactions during the period and no changes to related parties.

During the period Thames River Capital charged management fees as detailed in Note 2.

The remuneration of the directors has been determined in accordance with rates outlined in the Directors' Remuneration Report in the Annual Report.

9 Comparative information

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in section 435(1) of the Companies Act 2006. The financial information for the half year periods ended 30 September 2020 and 30 September 2019 has not been audited or reviewed by the Group auditors. The figures and financial information for the year ended 31 March 2020 are an extract from the latest published accounts and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and include the report of the auditors, which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

Glossary and AIFMD Disclosure

1.0 Alternative Performance Measures

Alternative Performance Measures are numerical measures of the Company's current or historical performance, financial position or cash flows, other than the financial measures defined or specified in the Financial Statements.

The measures defined below are considered to be Alternative Performance Measures. They are viewed as particularly relevant and are frequently quoted for closed ended investment companies.

Total Return

The NAV Total Return is calculated by reinvesting the dividends in the assets of the Company from the relevant ex-dividend date. Dividends are deemed to be reinvested on the ex-dividend date as this is the protocol used by the Company's benchmark and other indices. The Share Price Total Return is calculated by reinvesting the dividends in the shares of the Company from the relevant ex-dividend date.

Net Debt

Net debt is the total value of loan notes, loans (including notional exposure to CFDs and TRSs) less cash as a proportion of net asset value.

Ongoing Charges

The Ongoing Charges ratio has been calculated in accordance with the guidance issued by the AIC as the total of investment management fees and administrative expenses expressed as a percentage of the average Net Asset Values throughout the year. The definition of administrative expenses does include property related expenses, the Ongoing Charges calculation is shown inclusive and exclusive of these expenses to allow comparison of the direct administrative and management charges with the majority of Investment Trusts which do not hold any direct property investments.

Ongoing Charges provided in the Company's annual financial statements are based on actual expenses and charges. Ongoing Charges in the interim financial statements are based on estimated expenses and charges.

The Ongoing Charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations which is different to the AIC methodology above.

2.0 Glossary of Terms and Definitions

AIFMD	The Alternative Fund Managers Directive is European legislation which created a European wide framework for regulating the managers of "alternative investment funds" (AIFs). It is designed to regulate any fund which is not a UCITS (Undertakings for Collective Investment in Transferable Securities) fund and which is managed or marketed in the EU.
AIC	The Association of Investment Companies – the AIC is the representative body for closed-ended investment companies.
Alternative Performance Measure	A financial measure of financial performance or financial position other than a financial measure defined or specified in the accounting statements.
Discount	The amount by which the market price of a share of an investment trust is lower than the Net Asset Value per share expressed as a percentage of the NAV per share.

Key Information Document	Under the PRIIPs Regulations a short, consumer friendly Key Information Document is required setting out the key features, risks, rewards and costs of the PRIIP and is intended to assist investors to better understand the Trust and make comparisons between Trusts. The document includes estimates of investment performance under a number of scenarios. These calculations are prescribed by the regulation and are based purely on recent historical data. It is important for investors to note that there is no judgement applied and these do not in any way reflect the Board or Manager’s views.
Key Performance Indicator “KPI”	A “KPI” is a quantifiable measure that evaluates how successful the Trust is in meeting its objectives.
MiFID	Markets in Financial Instruments Directive is the EU legislation that regulates firms who provide services to clients linked to “financial instruments” (shares, bonds, units in collective investment schemes and derivatives) and the venues where those instruments are traded.
Net Asset Value (NAV) per share	The value of total assets less liabilities (including borrowings) divided by the number of shares in issue.

Directors and Other Information

Directors

D Watson (Chair)
K Bolsover
S-J Curtis
T Gillbanks
S Marrison

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Registered Number

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AIFM

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Portfolio Manager

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Telephone: 020 7011 4100

Fund Manager

M A Phayre-Mudge MRICS

Finance Manager and Investor Relations

J L Elliott ACA

Deputy Fund Manager

A Lhonneur

Direct Property Manager

G P Gay MRICS

aic
The Association of Investment Companies

Secretary

Link Company Matters Limited
6th Floor, 65 Gresham Street,
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Registrar

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Depositary, Custodian and Fund Administrator

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Tax Advisers

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Newcastle upon Tyne NE1 3AZ

Website

www.trproperty.com

General Shareholder Information

Release of Results

The half year results are announced in late November. The full year results are announced in early June.

Annual General Meeting

The AGM is held in London in July.

Dividend Payment Dates

Dividends are usually paid on the Ordinary shares as follows:

Interim: early January
Final: August

Dividend Payments

Dividends can be paid to shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar (the address is given on page 27 of this report) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

Dividend Re-investment Plan ("DRIP")

TR Property Investment Trust plc now offers shareholders the opportunity to purchase further shares in the company through the DRIP. DRIP forms may be obtained from Computershare Investor Services PLC through their secure website www.investorcentre.co.uk, or by phoning 0370 707 1694. Charges do apply; dealing commission of 0.75% (subject to a minimum of £2.50). Government stamp duty of 0.5% also applies.

Share Price Listings

The market prices of the Company's shares are published daily in The Financial Times. Some of the information is published in other leading newspapers. The Financial Times also shows figures for the estimated Net Asset Values and the discounts applicable.

Share Price Information

ISIN GB0009064097
SEDOL 0906409
Bloomberg TRY LN
Reuters TRY.L
Datastream TRY

Benchmark

Details of the benchmark is given on the inside front cover of this Interim Report. The benchmark index is published daily and can be found on Bloomberg;

FTSE EPRA/NAREIT Developed Europe Capped Net Total Return Index in sterling
Bloomberg: TR0RAG Index

Internet

Details of the market price and Net Asset Value of the Ordinary shares can be found on the Company's website at www.trproperty.com.

Shareholders who hold their shares in certificated form can check their holdings with the Registrar, Computershare Investor Services PLC, via www.computershare.com. Please note that to gain access to your details on the Computershare site you will need the holder reference number stated on the top left hand corner of your share certificate.

Disability Act

Copies of this Report and Accounts and other documents issued by the Company are available from the Company Secretary. If needed, copies can be made available in a variety of formats, including Braille, audio tape or larger type as appropriate.

You can contact the Registrar, Computershare Investor Services PLC, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator, by dialling 0370 702 0005. Specially trained operators are available during normal business hours to answer queries via this service.

Alternatively, if you prefer to go through a 'typetalk' operator (provided by the Royal National Institute for Deaf People) you should dial 18001 followed by the number you wish to dial.

Nominee Share Code

Where notification has been provided in advance, the Company will arrange for copies of shareholder communications to be provided to the operators of nominee accounts. Nominee investors may attend general meetings and speak at meetings when invited to do so by the Chairman.

CGT Base Cost

Taxation of capital gains for shareholders who formerly held Sigma shares

Upon a disposal of all or part of a shareholder's holding of Ordinary shares, the impact on the shareholder's capital gains tax base cost of the conversion to Sigma shares in 2007 and the redesignation to Ordinary shares in 2012 should be considered.

In respect of the conversion to Sigma in 2007, agreement was reached with HM Revenue & Customs ("HMRC") to base the apportionment of the capital gains tax base cost on the proportion of Ordinary shares that were converted by a shareholder into Sigma shares on 25 July 2007.

Therefore, if an Ordinary shareholder converted 20% of their existing Ordinary shares into Sigma shares on 25 July 2007, the capital gains tax base cost of the new Sigma shares acquired would be equal to 20% of the original capital gains tax base cost of the Ordinary shares that they held pre-conversion. The base cost of their remaining holding of Ordinary shares would then be 80% of the original capital gains tax base cost of their Ordinary shares held pre-conversion.

As part of the re-designation of the Sigma shares into Ordinary shares in December 2012, a further agreement was reached with HMRC that a shareholders capital gains tax base cost in their new Ordinary shares should be equivalent to their capital gains base cost in the pre-existing Sigma shares (i.e. their capital gains base cost under the existing agreement if applicable).

If in doubt as to the consequences of this agreement with HMRC, shareholders should consult with their own professional advisors.

Investing in TR Property Investment Trust plc

Market Purchases

The shares of TR Property Investment Trust plc are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Holding shares in Certificated Form

Investors may hold their investment in certificated form. Our registrars, Computershare operate a dealing service which enables investors to buy and sell shares quickly and easily online without a broker or the need to open a trading account. Alternatively the Investor Centre allows investors to manage portfolios quickly and securely, update details and view balances without annual charges. Further details are available by contacting Computershare on 0370 702 0000 or visit www.computershare.com.

TR Property Investment Trust plc now offers shareholders the opportunity to purchase further shares in the company through the Dividend Re-investment Plan ("DRIP") through the registrar, Computershare. Shareholders can obtain further information on the DRIP through their secure website www.investorcentre.co.uk, or by phoning 0370 707 1694. Charges do apply. Please note that to gain access to your details or register for the DRIP on the Computershare site you will need the holder reference number stated on the top left hand corner of your share certificate.

Saving Schemes, ISAs and other plans

A number of banks and wealth management organisations provide Savings Schemes and ISAs through which UK clients can invest in TR Property Investment Trust plc.

ISA and savings scheme providers do charge dealing and other fees for operating the accounts, and investors should read the Terms and Conditions provided by these companies and ensure that the charges best suit their planned investment profile. Most schemes carry annual charges but these vary between provider and product. Where dealing charges apply, in some cases these are applied as a percentage of funds invested and others as a flat charge. The optimum way to hold the shares will be different for each investor depending upon the frequency and size of investments to be made.

Details are given below of two providers offering shares in TR Property Investment Trust, but there are many other options.

Alliance Trust Savings(ATS) & interactive investor (ii)

Following the acquisition of Alliance Trust Savings by interactive investor, ATS self-directed accounts were transferred to the interactive investor platform on 14 October 2019.

Interactive investor offer investors in TR Property and other investment trusts a free opt-in online shareholder voting and information service that enables investors to receive shareholder communications and, if they wish, to vote on the shareholdings held in their account.

Interactive investor provide and administer a range of self-select investment plans, including tax-advantaged ISAs and SIPPs (Self-Invested Personal Pension), and Trading Accounts. For more information, interactive investor can be contacted on 0345 607 6001, or by visiting https://www.ii.co.uk/

BMO Investment Management Limited ("BMO")

BMO offer a number of Private Investor Plans, Investment Trust and Junior ISAs and Children's Investment Plans. Investments can be made as lump sums or through regular savings. For more information see inside the back cover. BMO can be contacted on 0800 136 420, or visit www.bmogam.com.

Please remember that the value of your investments and any income from them may go down as well as up. Past performance is not a guide to future performance. You may not get back the amount that you invest. If you are in any doubt as to the suitability of a plan or any investment available within a plan, please take professional advice.

How to Invest

One of the most convenient ways to invest in TR Property Investment plc is through one of the savings plans run by BMO.

BMO Investment Trust ISA

You can use your ISA allowance to make an annual tax-efficient investment of up to £20,000 for the 2020/21 tax year with a lump sum from £500 or regular savings from £50 a month per Trust. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

BMO Junior ISA (JISA)*

You can invest up to £9,000 for the tax year 2020/21 from £500 lump sum or £30 a month per Trust, or a combination of both. Please note, if your child already has a Child Trust Fund (CTF), then you cannot open a separate JISA, however you can transfer the existing CTF (held either with BMO or another provider) to a BMO JISA.

BMO Child Trust Fund (CTF)*

If your child has a CTF you can invest up to £9,000 for the 2020/21 tax year, from £100 lump sum or £25 a month per Trust, or a combination of both. You can also transfer a CTF from another provider to a BMO CTF. Please note, the CTF has been replaced by the JISA and is only available to investors who already hold a CTF.

BMO General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £500 lump sum or £50 a month per Trust. You can also make additional lump sum top-ups at any time from £250 per Trust.

BMO Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £250 lump sum or £25 a month per Trust. You can also make additional lump sum top-ups at any time from £100 per Trust.

*The CTF and JISA accounts are opened in the child's name and they have access to the money at age 18. **Calls may be recorded or monitored for training and quality purposes.

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facebook.com/bmoinvestmentsuk

0345 600 3030, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

Charges

Annual management charges and other charges apply according to the type of plan.

Annual account charge

ISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

Dealing charges

ISA: 0.2%

GIA/JIA/JISA: postal instructions £12, online instructions £8 per Trust.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits for the GIA, JIA and JISA.

There are no dealing charges on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan.

The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing. For regulatory purposes, please ensure you have read the Pre-sales cost disclosures related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you are wanting to invest into.

How to Invest

To open a new BMO plan, apply online at **bmogam.com/apply**

Note, this is not available if you are transferring an existing plan with another provider to BMO, or if you are applying for a new plan in more than one name.

New Customers

Call: **0800 136 420**** (8.30am – 5.30pm, weekdays)

Email: **info@bmogam.com**

Existing Plan Holders

Call: **0345 600 3030**** (9.00am – 5.00pm, weekdays)

Email: **investor.enquiries@bmogam.com**

By post: BMO Administration Centre
PO Box 11114
Chelmsford
CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Barclays Stockbrokers, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

BMO

BMO Asset Management Limited

TR Property Investment
Trust plc is managed by

Thames River

F&C Investments
CLIENTS FIRST
RESPECT ACCOUNTABILITY INNOVATION

BMO | A part of BMO Financial Group

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