



# Half Year Report

30-09-2023



# TR Property Investment Trust plc

Half Year Report for the six months ended 30 September 2023

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# Company summary

TR Property Investment Trust plc's (the 'Company' 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 page 34 of the Annual Report, which is available on the Company's website. Information on the current portfolio is shown on pages 12 to 14.

## Investment manager

Columbia Threadneedle 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 half year are set out on page 2 and the 10 year performance graph can be seen on page 4.

## Dividend

An interim dividend of 5.65p (2022: 5.65p) will be paid on 11 January 2024 to Shareholders on the register on 15 December 2023. The shares will be quoted ex-dividend on 14 December 2023.

## 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 30 and 33. This information can also be found on the Company's website [www.trproperty.com](http://www.trproperty.com).

# Financial highlights and performance

	At 30 September 2023	At 31 March 2023	Change
<b>Balance Sheet</b>			
Net asset value per share	304.74p	305.13p	-0.1%
Shareholders' funds (£'000)	967,098	968,346	-0.1%
Shares in issue at the end of period (m)	317.4	317.4	0.0%
Net debt <sup>1,5</sup>	12.5%	12.3%	
<b>Share Price</b>			
Share price	281.00p	279.00p	+0.7%
Market capitalisation	£892m	£885m	+0.8%

	Half year ended 30 September 2023	Half year ended 30 September 2022	Change
<b>Revenue</b>			
Revenue earnings per share	7.31p	12.05p	-39.3%
Interim dividend per share	5.65p	5.65p	0.0%

	Half year ended 30 September 2023	Year ended 31 March 2023
<b>Performance: Assets and Benchmark</b>		
Net Asset Value total return <sup>2,5</sup>	+3.3%	-35.5%
Benchmark total return	-0.8%	-34.0%
Share price total return <sup>3,5</sup>	+4.5%	-36.2%
<b>Ongoing Charges<sup>4,5</sup></b>		
Including performance fee	+1.36%	+0.73%
Excluding performance fee	+0.84%	+0.73%
Excluding performance fee and direct property costs	+0.80%	+0.67%

- 1 Net debt is the total value of loan notes, loans (including notional exposure to contracts for differences ('CFDs') less cash as a proportion of Net asset value ('NAV').
- 2 The net asset value 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.
- 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 2023 is based on forecast expenses and charges for the year ending 31 March 2024.
- 5 Considered to be an Alternative Performance Measure as defined on page 27.

# Chairman's statement

Generalist investors have avoided real estate over the last 18 months. This has given our managers the opportunity to select carefully not only companies with the best underlying exposures but also those with the most robust balance sheets. The sector M&A activity we have benefited from is a testament to this strategy – and may well be a portent of better times ahead.

**Kate Bolsover**  
CHAIRMAN



This is my first Chairman's statement since I took on the role from David Watson. His wisdom and insights have been valuable to us all over the past years and I wanted to express my thanks as well as those of the Board and management team for his leadership and support. I am excited to be taking on the role of Chairman and look forward to working with the Board and management team as we move into the next few years of economic and social change.

## Market backdrop

Macro-economic forces continue to dominate investor behaviour. The trajectory of inflation and bond yields remains foremost in investors' minds. The response of the US and European central banks has clearly been dramatic over the last two years with a record-breaking number of consecutive base rate increases in all jurisdictions. The current interest rates are beginning to achieve their objective of slowing consumption and economic activity. The impact on asset prices, including real estate, has been marked.

Over the six months under review, the Company's net asset value ('NAV') total return was +3.3%, ahead of the benchmark's total return of -0.8%. As the Manager's Report will expand on, the period has been one of oscillating performance as sentiment waxed and waned over the path of the interest rate cycle. Whilst property market fundamentals have been so often drowned out by the macro-economic overlay, your management team continue to focus on well-run companies exposed to asset classes enjoying tenant demand. These businesses must also have balance sheets which can withstand interest rates remaining at current levels. In other words, they are considering whether the debt held by these companies is of a suitable duration and cost. The good news is that the vast majority of our companies have made great strides to improve their debt books over the last 18 months. Valuable lessons were learned in the Global Financial Crisis ('GFC') and excessive leverage has (in the main) been avoided in the listed sector in this cycle. Many companies have been forced to take corrective action with dividend reductions or suspensions, but we have not seen the wave of defensive capital issuance to rebuild balance sheets that we saw in 2008.

Much more real estate is owned privately than publicly. Public markets offer real time pricing and the opportunity to allow sentiment to override substance. If public markets undervalue real assets, then privatisations and consolidation will – quite correctly – occur. The last six months has seen four important examples of merger and acquisition ('M&A') activity in our investment universe. The Company was heavily exposed to three of them and the NAV received a significant uplift from all three. More detail will be provided later in the Manager's report but suffice to say these are important valuation underpins. We may well look back and view them as portents of better times ahead.

## Revenue Results, Dividend and Outlook

The interim earnings at 7.31p are some 39% lower than the prior year interim earnings.

A fall in earnings was flagged in the last annual report. Earnings in the year to March 2023 were flattered by some one-off changes and also a significant number of shifts in companies' dividend timetables. At the year-end we were also highlighting that a number of German residential companies and Swedish companies had announced dividend suspensions or cuts and the consequence for our earnings in the following financial year. Increases in interest rates have had a negative impact on our own revenue account and the increase in the UK corporation tax charge has also increased the revenue tax charge, although, our overall taxation charge (when taking into account the capital account credit) remains low.

A number of companies were quick to suspend or reduce dividends in the face of rising interest rates. It is still difficult to predict whether interest rates have reached a peak and how high they will stay and for how long. The property sector is highly sensitive to interest rates at both income and capital levels.

The German residential sector is 14.6% of our benchmark, many of these companies have suspended or substantially cut their dividends while they reorganise their balance sheets, make sales to deleverage and reposition their portfolios for a higher interest rate environment. We expect them to resume distributions in due course but the timetable is uncertain. In the

meantime, our own income account will reflect this reduced source of income.

Our Managers are mandated by the Board to meet the Company's investment objective, which is to maximise Shareholders' total return relative to the benchmark. They are asked to have an eye for the income account, but the positioning of the portfolio is driven primarily by the total return objective. There are times when it is not possible to deliver progressive income whilst meeting that total return objective. In light of the potential for leaner periods of income, the Board has strategically built healthy revenue reserves. Providing we are comfortable of achieving a covered dividend in the longer term, we will be happy to supplement dividend distributions from reserves.

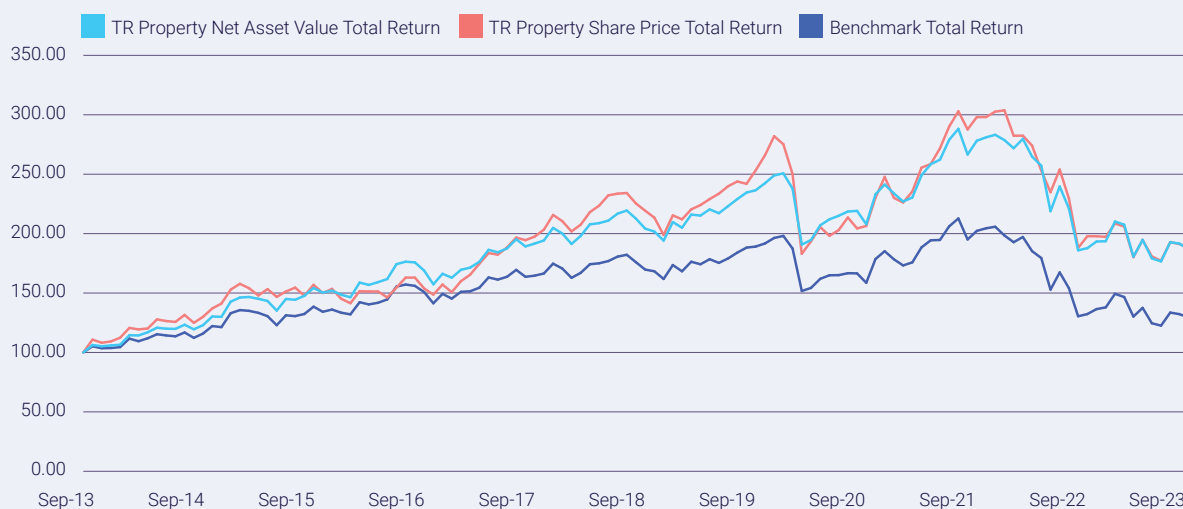
The interim dividend has been maintained at 5.65p per share.

## Net Debt and Currencies

Gearing appeared broadly unchanged over the period, moving from 12.3% to 12.5%. As usual, the starting and end points do not give any insight into range over the period, increasing from the year through to June to around 16.0% and reducing thereafter as sentiment changed. At the time of writing the gearing remains around 12.0%.

The cost of our own balance sheet debt continued to rise over the period as the reference base rates increased. Margins are also widening. It was decided not to renew

## Index of TR Property Net Asset Value and Share Price Total Returns compared with the Benchmark Total Return Index



one of our three revolving credit facilities in November as we have sufficient gearing capacity (in our loan notes, remaining facilities and contracts for difference ('CFD') capability) without it.

Currencies were not especially volatile; sterling showed some strengthening over the summer which had a detrimental impact on the non-sterling income received over that period, however this petered out to a large extent over September.

### Discount and Share Repurchases

The Company's shares have traded at an average discount of just over 8% over the period, moving from 8.6% at the end of March to 7.8% at the end of September. This is slightly wider than the five-year average of 5.4%. There were no share repurchases during the period.

### Board changes

Following David Watson's retirement, we appointed Tim Gillbanks as Senior Independent Director. Having been appointed to the Board in January this year, and as part of our Board succession planning, Busola Sodeinde was appointed Chairman of the Audit Committee with effect from 1 October 2023. We have now returned to a Board of directors of five and do not anticipate any further changes in the near future.

### Outlook

The current interest rate rising cycle has been underway since mid-2022. Hindsight is a wonderful thing, and all market participants can agree that central banks should have started earlier with various forms of money supply tightening. However, looking ahead and given the record-breaking speed and intensity of the rate increases, the same commentators are confident that we are closing in on 'peak rate'. The narrative now is very much about whether rates remain here for the foreseeable future (our view) or whether central banks will seek to bring them back down.

Given our Manager's central case, it is no surprise that we will continue to focus on those market segments still experiencing rental growth driven by supply/demand disequilibrium. The Manager's report highlights the very wide range of forecasted returns across the different property types and jurisdictions. However, generalist investors have sought actively to avoid the asset class and much has been discarded in the self-fulfilling price rout. This has given us the opportunity to select carefully not only those companies with the best underlying exposures but also those with the most robust balance sheets.

This positioning has been taking place since the interest rate cycle started 18 months ago. The M&A activity that has taken place is testament to this strategy. Other investors are happy to pay for assets (and debt structures) which we have identified as attractive in the current economic environment. We suspect there may well be more to come.

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#### Kate Bolsover

Chairman

23 November 2023

Footnote: The website ([www.trproperty.com](http://www.trproperty.com)) provides current and background data on the Company including an informative monthly fact sheet prepared by the Manager alongside the Half Year and Annual Reports.

# Manager's report

as at 30 September 2023

As we release this statement, cooling inflation is providing a psychologically important boost for markets. Expectations that we have reached 'peak rate' seem to be solidifying, following several false dawns in the first half of 2023. Market cycles over the last 30 years have shown that when interest rates do peak, property equities recover more sharply than the wider stock market.

**Marcus Phayre-Mudge MRICS**  
FUND MANAGER



## Performance

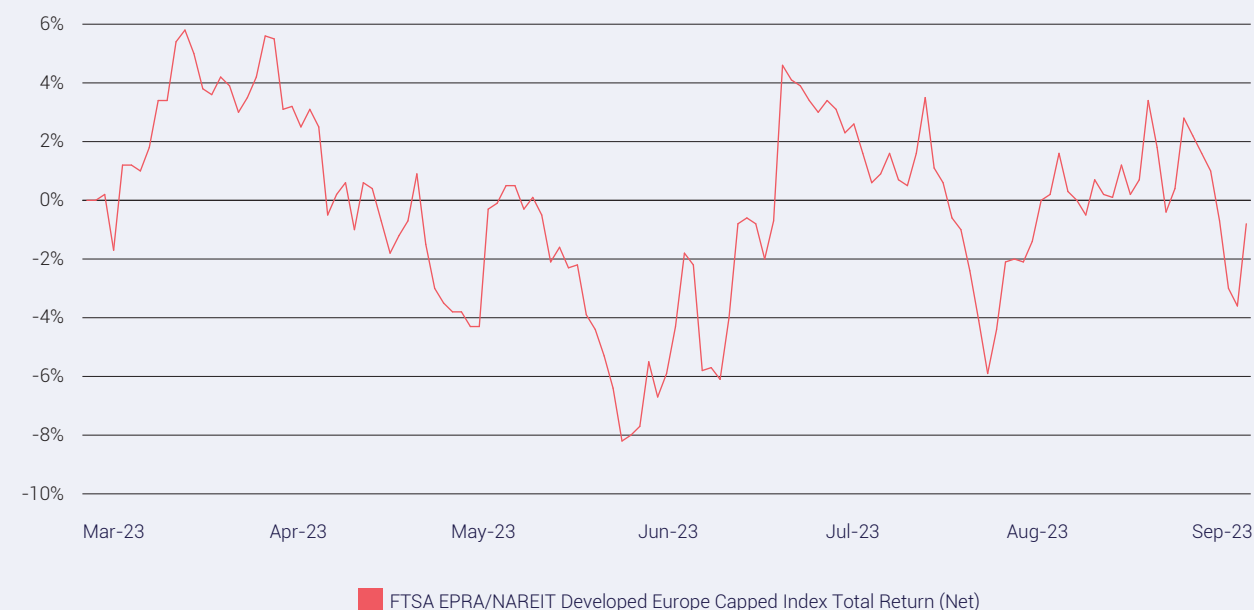
The net asset value ('NAV') total return for the six months was +3.3% and the share price total return was slightly better at +4.5% whilst the benchmark, FTSE EPRA NAREIT Developed Europe TR (in GBP), fell by -0.8%. The chart opposite illustrates the fact that pan European real estate equities have travelled in a tight (12%) trading range over the six months under review with the chart resembling the path of a ping pong ball in a horizontal tube. We remain in a market dominated by macroeconomic considerations. Quite simply, real estate pricing continues to be determined by the shape of the interest rate curve and bond market yields. Underlying real estate fundamentals are still being drowned out by the change in expectations of interest costs. This blanket approach by market participants will of course lead to opportunities for patient investors who are focused on the slightly longer term alongside the underlying demand/supply dynamics in each asset class.

The previous six month period (September 2022 to March 2023) had been a rollercoaster, with a +20% market rally followed by total eradication of those gains. Market sentiment had got right behind the 'peak rate' narrative which proved to be a false dawn. In contrast, the last six months has been a calmer period as sentiment oscillated around the core question of how well the central banks were managing to get inflation under control. Importantly, equity investors had, by the end of March, already driven most property companies' share prices to record breaking discounts to net asset values. As the chart shows, we effectively started the new financial year close to the bottom of the six-month trading range and the index ended the period less than 1% from where it started.

The two clear periods of price recovery were April and July. April's gain (the Company's NAV rose 7.8%) was in part driven by the first (of three) crucial pieces of M&A activity which not only assisted our returns but contributed to a wider improvement in sentiment towards the asset class. Industrial REIT announced on 3rd April that it had received a cash offer from Blackstone at a 40% premium to the previous closing price. Importantly, this was also a 17% premium to the last published NAV. The Company was the largest shareholder (11.2% of issued capital) and we have been long-term supporters of the management team and their strategy. They had been at the forefront of bringing multi-let industrial property management into the digital era. It is a textbook example of where the value-adding skills are not priced correctly by the public markets. The sale was bitter sweet, whilst the impact on the Company's valuation was welcome, the loss of a well-run business and with it the exposure to multi-let industrial property will be keenly felt.



### Index Performance Over Six Months



No sooner had we seen the April improvement in sentiment, May and June reversed the gains with the bear narrative building around the stubbornness of inflation and all central banks committed to further interest rate increases. The bifurcation of share price performance between those companies most sensitive to short term interest rate movements and the better placed grew even starker. The most heavily leveraged names, those with multiple refinancings in the near term were – correctly – abandoned by investors. SBB (in Sweden) fell -75% over April and May, whilst Adler, a German business with an equally indebted balance sheet fell over 48% in the same period.

As if we needed any more proof that performance of our asset class was dominated by macro considerations and the outlook for interest rates, July saw better than expected inflation data, i.e. evidence of slowing inflation. Our sector responded with a +9% return in the month, giving the sector bears quite a headache. To highlight the whipsawing in our space, mid-August saw a 9% fall in 10 days, followed by an 8% recovery into the end of the month. The overused expression ‘rollercoaster’ did feel quite apt as sentiment towards the likelihood of ‘peak rate’ being reached by each respective central bank ebbed and flowed.

However, real estate fundamentals remain remarkably robust in many of our sub-sectors and this theme is expanded on later in the report. As highlighted, M&A activity was also a crucial feature of the period. Alongside the sale of Industrial REIT to Blackstone, we saw Realty Income, a \$36bn market cap US REIT, acquire all of Ediston Property’s assets for cash. Ediston had switched from being a diversified investor to one focused entirely

on retail warehousing. Alongside multi-let industrial and wider logistics property we are very positive about value growth in this sector, hence our exposure. We had steadily built the position and owned over 16% of the company at the date of the announcement. This is a classic example of European public market under valuation, with a more highly rated US REIT able to take advantage. The case of CT Property Trust (‘CTPT’, £200m market cap) was a little different with LondonMetric using its more highly rated paper to acquire CTPT. We owned 10% of CTPT and have been a longstanding investor in LondonMetric so we were happy to support the deal which also saw a 25% gain in the CTPT share price on the announcement.

Reviewing our performance attribution, it is no surprise that our exposure to these cases of M&A were all key contributors to performance. Outside of these areas our overweight to European shopping centres and our underweights to European healthcare and Sweden were also important. I would also highlight our largest pair trade which was to own Landsec but not British Land. The gulf in performance between the two names has never been starker with the difference over six months (in total return terms) of -13.8% (-1.6% versus -15.4%). The major differentiation between these two large diversified UK only businesses was their attitude to debt with Landsec working hard to reduce leverage through selling long income, mature, low yielding assets particularly London offices.

The poorest decision was to remain overweight German residential through our large holding in Phoenix Spree Deutschland. Fully let, Berlin apartments are clearly an attractive long-term store of value given the fundamental demand/supply disequilibrium. However, the capitalisation multiples grew too large in the era of zero interest rates

and the correction in values has been dramatic. I continue to believe that the stock market is now overly discounting this value correction with the share price considerably less than half of the last published asset value. Crucially, the Board has announced that it is seeking to dispose of assets (and will accept current market pricing) and return cash to shareholders following required debt repayments.

## Offices

The bifurcation between the 'best and the rest' has widened as more evidence emerges of tenants prepared to pay up for the highest quality space in the right locations. Working patterns have changed with five days per week in the office a minority sport in large cities with long commutes. The trade-off is straightforward, where productivity and employee satisfaction is enhanced with an element of remote working it will persist and become a permanent feature. However, it is equally apparent that connectivity, collaboration and engagement with customers is much easier/more effective when carried out in person. The office is not dead.

The mantra is the quality of working environment (both the building amenity and its environs) coupled with energy efficiency and transport connectivity. The reality for landlords is the difficult decision of where to focus the capital expenditure. For many assets, the cost of the required refurbishment and energy efficiency improvements will result in mediocre returns as current asset values are not properly factoring in this compulsory spend.

The immediate consequence of this structural hiatus has been a dramatic adjustment in yields, which is ongoing. Prime yields across Continental Europe (according to Cushman & Wakefield) have moved out 100bps (3.9% to 4.9%) since March 2022 and that widening is actually accelerating. Simultaneously, rental growth has continued to be positive with best-in-class buildings setting record rents. London remains the market under the most pressure with the lowest return to office statistics and the highest rents in Europe. Savills estimate that City Office yields have moved from 4.5% to 5.25% since March, whilst West End yields have remained broadly flat in the period reflecting the gulf in vacancy figures. West End vacancy (as measured by CBRE) as at June was 3.8%, whilst the City was 11.7%.

Derwent London have a neat way of exhibiting this gulf between best and rest with a breakdown of the valuation movement in the six months to June 2023. For their most valuable assets (valued at more than £1,500 per ft) the capital movement was -1.3% and for their least valuable (less than £1,000 per ft) it was -6.3%.

The outlook for this sector is tough. However, it is crucial that investors appreciate that the listed office owners collectively have much better quality portfolios than the wider universe. Their assets are heavily concentrated in central business district locations in the dominant cities as opposed to regional markets. They are also much less geared and therefore able to withstand the ongoing valuation correction. The property news is dominated by stories of keys being returned to banks as highly leveraged investors see the top slice of the capital stack (the equity portion) being eradicated as values fall. Quite simply, if you own office assets you must have low levels of gearing to withstand the valuation corrections. The market concerns have manifested themselves in the turnover data. According to CBRE's Q3 European Real Estate report, office investment was €8.1bn, down 63% year-on-year.

## Retail

The difference in investor sentiment between office and retail property can be summed up in the six months MSCI/IPD data. Capital value falls ranged from Retail Warehouses -1.5% and Shopping Centres -1.7% to Offices (Central London) -7.2% through to Regional (outside SE) Offices of -10%. It really does feel that retail property has reached a point of valuation stability with an equilibrium of tenant affordability and demand. It has been a long road, with the sector requiring at least 30% less retail space than in 2010, coupled with a dramatic change in the size/number of stores which each national or international retailer required.

Retail warehousing continues to be a relative winner with its large car parks and edge of town locations coupled with minimal service charge costs offering a cost-effective component of the omni-channel sales process which all large retailers (except Primark) now operate. We built our position in Ediston based on our strong conviction towards this asset class. It is always disappointing to see assets leave the European listed sector through M&A but the exit price vindicates our views.

Outlet malls help retailers to offload lines without damaging full price offerings. Premium outlets such as Bicester Village (partly owned by Hammerson) and Gunwharf Quay (Landsec) have proved very resilient, offering shoppers a high quality leisure and retail experience. Sales data has remained robust and we have continued to have exposure.

Dominant Continental European shopping centres collectively continue to sustain high levels of occupancy and modest positive rental growth. We have maintained exposure primarily through Klepierre and Eurocommercial.

## Industrial and Logistics

Only the residential (PRS) and industrial sectors recorded capital growth in the MSCI/IPD data for the period under review. Rental growth remains positive, particularly in the South East. Interestingly the stellar growth rate we have seen in the Greater London area over the last few years has started to moderate. General rental growth has continued despite weaker take-up and rising vacancy levels in certain regional markets. The concept of rising vacancy in the market leading sub-sector will of course make the bulls nervous. Our view was that the supply/demand imbalance which drove the extraordinary rates of rental growth would lead to more speculative construction as developers were incentivised to build out their landbanks. This supply response is underway but demand appears persistent. Of the 33.7m sq ft available at the end of Q3, 22.2m sq ft is immediately available and 11.5m sq ft is under construction. We remain confident that vacancy levels will peak well below levels seen in the GFC and that supply will be absorbed without the market experiencing prolonged negative rental growth such as the structural tailwinds in this asset class.

Looking across all of Europe, rents grew 10.9% over the last year, slightly ahead of the 10.4% for the 12 months to Q1 2023. The investment market has not been immune to the change in investor appetite, yields for prime logistics assets had got too low (c.4%) and the expansion back to closer to 5% has been painful. Investment volumes totalled €6.3bn (Savills data), a decline of 54% year-on-year and a third below the five year average. Even with average prime yields at 5%, this is still lower than the European pre-COVID average (5.4%, 2017-2019) and reflects the broad consensus that this asset class will continue to deliver growth. Whilst investment volumes were down hugely year-on-year, the 2023 quarter-on-quarter figures have been steadily improving as adjusted clearing prices help investors feel more confident about market pricing.

## Residential

The shortage of private sector rental accommodation (PRS) remains acute. In markets such as Germany, Sweden and Ireland where rents are regulated and rental growth is restricted to sub-inflation, there is limited incentive for private developers to build. The result is a complex system of restricted and unrestricted (open market) units where protected residents enjoy a huge economic benefit over those queuing for months or years for a flat because of the acute development shortage. In markets such as the UK, where rents are unrestricted, there is a different issue. The reduction in the availability of rental property owned by 'buy-to-let' landlords has been driven by the removal of tax advantages and the increase in bureaucracy around tenant protection. With house prices falling and mortgage costs rising, there has been

a further shift towards renting over buying as potential owners defer purchases. Where this shortage is most acute, such as London, rents have risen by as much as 20% in some locations.

The poor share price performance of the large German residential landlords has been a consequence of their over indebtedness rather than their underlying portfolio performance where occupancy levels have remained consistently high (94-95%) given the regulated (below market) rent levels.

## Alternatives

Once again PBSA (purpose built student accommodation) delivers solid rental growth. There continues to be a growing appetite for students to live in PBSA with an institutional landlord as opposed to (generally) poorer quality private accommodation. Student numbers continue to grow – both domestic and foreign – and this has fuelled 7% rental growth guidance for this year from Unite (the largest listed provider in Europe). As mentioned earlier, we happily participated in their offensive capital raise in July.

Healthcare continues to be a poor performer. Senior living and nursing accommodation operators continue to suffer margin pressure as their biggest overhead (by far) is wages. Across all of Europe we have seen the recapitalisation of operators and an increasing number of failures. These operators need to be replaced and landlords often need to be part of the incentive programme for a new operator to take on an existing facility.

## Debt and Equity Markets

Both debt and equity markets have remained very subdued in the period. In the nine months to 30 September, just €3.3bn of debt has been raised compared to €10.7bn in 2022 and €20.9bn in 2021 (EPRA data). The weighted-average coupon has risen from 2.1% (2022) to 4.7% (2023). Whilst there has been little issuance of new debt, there has been significant interest cost management with many examples of companies buying swaps, caps and negotiating extensions. Equity raisings have also remained subdued with just €2.1bn raised up to the end of September. Post the half year, Big Yellow Self Storage has added to the scoreboard with £109m raised in October to fund its development pipeline.

Whilst these self-help exercises have been limited in scope, M&A activity has been more fruitful for investment bankers and each of those situations have been covered earlier in this report. Given the very wide discounts of share prices to last published asset values we expect further activity in the months to come.

## Investment Activity – property shares

Turnover (purchases and sales divided by two) totalled £183m in the period, slightly less than the £203m for the same period last year which was a decade high. With the average net assets over the period of £983m, turnover was 18.6% versus 15% last year. The increased percentage is partly explained by the impact of M&A where whole positions were liquidated on a cash bid.

As highlighted in my opening comments, our investment universe has moved in a tight (12%) trading range throughout the period as sentiment rallied on hopes of 'peak rate' and then waned before repeating the process. A classic case of a macro dominated market, where we had already positioned the portfolio defensively and where large scale portfolio repositioning was not warranted given the market uncertainty coupled with volatility in such a tight trading range.

When I compare our 10 largest overweights and underweights (versus their respective positions in the benchmark), i.e. our greatest convictions, I find that 15 out of 20 are the same names at each end of the reporting period. Amongst the largest overweights, the only changes were due to Industrial REIT and Ediston being taken private. However, beyond the largest conviction calls there was considerably repositioning at the sub-sector level where I adjusted a number of smaller positions often within one market area. One area of particular focus was Sweden where we had been heavily underweight given the elevated debt levels amongst all those companies. By the end of May the Swedish property companies had corrected -32% from their early February peak. Initially, I bought back into Castellum following its SEK10bn deeply discounted rights issue. This equity raise stabilised the balance sheet and gave the company the breathing space it needed. Alongside that name I also added to Sagax (diversified with a focus on light industrial), Pandox (hotels) and Catena (logistics).

I maintained our position in European shopping centre names through Eurocommercial and Klepierre but also began to add to Unibail which has made good progress in selling its poorer US assets. Our UK retail exposure remained focused on retail warehousing (through Ediston) but we do have some exposure through Landsec where its premium outlets business continues to perform well.

Industrial exposure dropped with the sale of Industrial REIT but I continued to add to Argan, our preferred French logistics name. It is an illiquid stock as the founding family own half the equity. In March the stock enjoyed a liquidity event, gaining entry to the FTSE EPRA NAREIT Europe Index and I sold 50% of the position. Since then I have been slowly reacquiring the stock at 10-15% lower prices.

Within the office sector, I continued to sell down in the developer names (GPE, Derwent London and Helical).

These are all well run businesses with experienced management teams but their ability to generate significant returns at this point in the business cycle is heavily constrained. I have favoured portfolios with higher earnings, lower levels of development exposure (relative to the size of their portfolio) and those focused away from the financial services dominated sub-markets such as the City, Docklands and La Defense. Hence our rotation into Workspace (flexible space) and additional investment in Gecina (prime Paris) and maintaining our positions in Arima (Madrid). Elsewhere I have sought exposure to smaller cities with high levels of 'return to office' hence Sirius (German business space) and Wihlborgs (Malmo).

In the alternative space, I reduced exposure to self-storage given the likely short term impact of the economic slowdown. Our exposure to the sector continues to be solely through Safestore. Student accommodation and Unite's figures continue to impress. The stock has been a true stalwart through these difficult times and one of the few to complete an offensive capital raise in July (£296m), 8% of their market capitalisation. We have continued to remain very underweight to healthcare where the sub-indexation rental growth and lack of gains on development continue to hamper returns.

## Physical Property Portfolio

The physical property portfolio produced a total return over the 6 months of -2.1% made up of a capital fall of -4.1% and an income return of 2.0%. This was a marginal underperformance of the MSCI monthly index which produced a +1.1% total return made up of an income return of 2.4% and a capital fall of -1.3%. Our industrial asset values were flat on the period, whilst our food-dominated retail parade at the Colonnades in Bayswater suffered from further yield expansion in the supermarket sector.

Occupationally it was a quiet period however a great deal of preparation has been going into the proposed refurbishment of our industrial asset in Wandsworth. The aim is to carry out a phased refurbishment of the estate and create best in class space, attractive to a wide range of uses while providing the highest standards of sustainability and tenant wellbeing available in the market. Work will start in January 2024 and will be ready for occupation in the spring.

Immediately post the half year end we completed a new lease at our industrial estate in Gloucester. The tenant, who was due to vacate the unit following a lease break, has won a new contract significantly expanding their business. As a result we have captured the reversionary potential of the unit, increasing the passing rent by 21% and securing a new 8 year lease. This is further evidence of the continuing resilience of small/medium sized industrial units. They are a factor of production and we have only seen marginal increases in supply over the past

10 years. This has resulted in increases in demand driving a significant upward pressure on rents. This is persisting in a number of locations, like Gloucester, despite the macro-economic headwinds highlighted previously.

## Revenue and Revenue Outlook

The reduction in the current year earnings was fully anticipated and flagged in the Annual Report. A small element of this fall can be put down to timing differences with some dividends being paid in March, just before the last year end, whereas they had previously been paid in April and would have fallen into the current financial year as they had done previously.

More importantly, as we went into the results season for the German residential sector (15% of our benchmark), all those companies were announcing dividend suspensions or material reductions. With very secure earnings, low vacancy and structurally undersupplied markets, the underlying assets in these companies saw tremendous capital growth over the last decade resulting in lower and lower yields. The impact of higher interest rates had a dramatic impact on cashflow given the low yields and these companies have acted quickly and judiciously, taking action to reduce leverage through disposals and cash retention. Whilst they are not distributing this has had a significant impact on our income. Swedish companies also tend to be highly leveraged and we have seen a similar pattern, albeit the cuts were not as widespread. Sweden is just over 13% of our benchmark and although we were underweight (relative to the benchmark exposure) it still had an impact.

As the Chairman has highlighted, although we do aim for a progressive income profile, the primary objective is to exceed the performance of the benchmark on a total return basis. With dividend cuts in such a significant part of our portfolio, our income statement will be temporarily impacted. These companies will return to the dividend list in due course but the timing is still hard to predict and will vary from next year onwards.

## Gearing and Debt

Our revolving loan facilities have interest rates linked to SONIA<sup>1</sup>, so we have seen a marked increase in our interest expense. The cost of our gearing through CFDs is also linked to short term GBP and Euro rates. Our fixed term debt carries rates below current market rates which helps our overall cost of debt. Although the gearing is largely unchanged at the beginning and end of the period, it has varied in between. The flexibility of our revolving credit facilities means that we are able to repay and redraw debt over short timescales. With material proceeds being received over the period from corporate actions, we have been able to reduce gearing rather than hold cash for significant periods and redraw on the loans when investment opportunities have occurred.

<sup>1</sup> SONIA (Sterling Overnight Index Average) the replacement for LIBOR (London InterBank Offered Rate) published by the Bank of England on a daily basis.

In addition to the base rate increases, we have seen widening margins and in some cases commitment fees. One of the revolving credit facilities was due for renewal in November and we chose not to renew. We have sufficient gearing ability elsewhere and this has reduced the overall non-utilisation costs.

Even with the increased cost of debt, we feel that current equity pricing offers us an investment opportunity and it is therefore an appropriate time to utilise a larger proportion of our gearing capacity.

## Outlook

The volatility in share prices highlights the ongoing battle between underlying property market fundamentals in our preferred sectors (stable to improving) and the relentless debate about yield curve trajectory and central bank behaviour. This 'whipsawing' has continued post the half year, in fact volatility has increased with the benchmark falling 9% through most of October only to then rally by 13% by the end of the first week of November.

Such volatility encourages us to focus on the core qualities of our companies safe in the belief that the vast majority have protected themselves from the impact of further short term increases in rates. We are also emboldened by the firm belief that we are seeing an increasing range of data points suggesting that the heightened rate environment is having the (central banks') desired effects, i.e. slowing their respective economies. We are clearly much nearer this cycle's 'peak rate' and the repositioning by investors is beginning to be reflected in share prices given where discounts have reached.

Public property companies are cautiously leveraged when compared to many private equity-backed vehicles. The eradication of equity in highly leveraged vehicles will provide investment opportunities for conservatively run listed companies. The investment community must learn to support opportunistic (and earnings accretive) capital raises rather than wait for share prices to trade at premiums before raising. The inherent issue with that traditional approach is that listed vehicles are flush with capital far too late in the cycle. Simultaneously we must all encourage consolidation amongst the plethora of smaller companies. The closure of many of the remaining open-ended, daily dealing PAIFs (property authorised investment funds) reduces the alternatives for private investors and the listed sector must grasp the opportunity. There is clear demand for exposure to real estate in a liquid structure through a closed-ended listed structure. However liquidity comes with scale and we welcome further consolidation in the sector.

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**Marcus Phayre-Mudge**

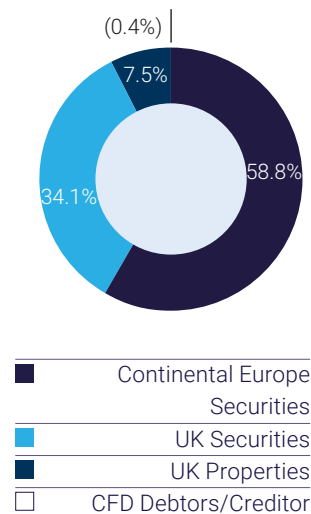
Fund Manager

23 November 2023

# Portfolio

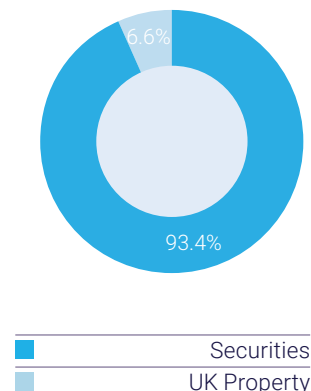
## Distribution of Investments

	30 Sep 2023 £'000	30 Sep 2023 %	31 Mar 2023 £'000	31 Mar 2023 %
UK Securities <sup>1</sup>				
- quoted	327,804	34.1	385,876	40.5
UK Investment Properties	71,560	7.5	73,957	7.7
<b>UK Total</b>	<b>399,364</b>	<b>41.6</b>	<b>459,833</b>	<b>48.2</b>
Continental Europe Securities				
- quoted	565,520	58.8	488,839	51.3
Investments held at fair value	964,884	100.4	948,672	99.5
- CFD (creditor)/debtor <sup>2</sup>	(3,509)	(0.4)	4,662	0.5
<b>Total Investment Positions</b>	<b>961,375</b>	<b>100.0</b>	<b>953,334</b>	<b>100.0</b>



## Investment Exposure

	30 Sep 2023 £'000	30 Sep 2023 %	31 Mar 2023 £'000	31 Mar 2023 %
UK Securities				
- quoted	327,804	30.2	385,876	35.7
- CFD exposure <sup>3</sup>	52,339	4.8	75,963	7.0
UK Investment Properties	71,560	6.6	73,957	7.0
<b>UK Total</b>	<b>451,703</b>	<b>41.6</b>	<b>535,796</b>	<b>49.7</b>
Continental Europe Securities				
- quoted	565,520	52.1	488,839	45.2
- CFD exposure <sup>3</sup>	68,586	6.3	54,943	5.1
<b>Total Investment Exposure<sup>4</sup></b>	<b>1,085,809</b>	<b>100.0</b>	<b>1,079,578</b>	<b>100.0</b>



## Portfolio Summary

	30 Sep 2023	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
Total investments	£965m	£949m	£1,555m	£1,401m	£1,155m
Net assets	£967m	£968m	£1,563m	£1,326m	£1,136m
UK quoted property shares	34%	41%	33%	28%	31%
Overseas quoted property shares	59%	51%	60%	66%	61%
Direct property (externally valued)	7%	8%	6%	6%	8%

## Net Currency Exposures

	30 Sep 2023 Company %	30 Sep 2023 Benchmark %	31 Mar 2023 Company %	31 Mar 2023 Benchmark %
GBP	33.0	33.1	33.6	35.1
EUR	44.0	43.0	42.3	41.3
CHF	10.0	10.2	9.9	9.5
SEK	12.7	13.3	13.8	13.8
NOK	0.3	0.4	0.4	0.3

<sup>1</sup> UK securities includes one unlisted holding 0.03% (31 March 2023 0.03%).

<sup>2</sup> Net unrealised (loss)/gain on CFD contracts held as balance sheet (creditor)/debtor.

<sup>3</sup> Gross value of CFD positions.

<sup>4</sup> Total investments illustrating market exposure including the gross value of CFD positions.

# Investment portfolio by country

as at 30 September 2023

	£'000	Market value %		£'000	Market value %
<b>Belgium</b>			<b>Sweden</b>		
Aedifica	10,954	1.2	Castellum	29,256	3.0
Xior Student Housing	7,732	0.8	Wihlborgs	24,468	2.6
Warehouses De Pau	6,091	0.6	Catena	24,185	2.5
Montea	4,060	0.4	Fastighets Balder	22,893	2.4
Icade	3,886	0.4	Sagax	18,487	1.9
Care Property Invest	2,318	0.3	Pandox	5,393	0.6
VGP	1,735	0.2	Atrium Ljungberg	3,063	0.3
Intervest Offices & Warehouses	1,339	0.1	Fabege	2,268	0.2
	38,115	4.0	Platzer Fastigheter	2,187	0.2
			Hufvudstaden	1,764	0.2
				133,964	13.9
<b>France</b>			<b>Switzerland</b>		
Klepierre	38,081	4.0	PSP Swiss Property	45,903	4.8
Gecina	36,479	3.8	Swiss Prime Site	29,749	3.1
Argan	25,054	2.6		75,652	7.9
Covivio	7,977	0.8			
Carmila	5,815	0.6	<b>United Kingdom</b>		
	113,406	11.8	Segro	62,805	6.5
			LondonMetric Property	34,514	3.6
<b>Germany</b>			Picton Property Income	32,565	3.4
Vonovia	90,065	9.4	LandSec	26,773	2.8
LEG Immobilien	21,311	2.2	Ediston Property	22,501	2.3
TAG Immobilien	20,016	2.1	Sirius Real Estate	22,214	2.3
Aroundtown	6,391	0.6	Phoenix Spree Deutschland	21,591	2.2
	137,783	14.3	Unite Group	16,952	1.8
			Workspace Group	16,199	1.7
			British Land	12,695	1.3
<b>Netherlands</b>			Tritax Big Box REIT	12,514	1.3
Eurocommercial Properties	19,658	2.1	Safestore Holdings	10,825	1.1
NSI	2,216	0.2	Primary Health Property	5,278	0.5
Unibail Rodamco Westfield	1,972	0.2	Derwent London	5,250	0.5
	23,846	2.5	Hammerson	4,947	0.5
			UK Commercial Property REIT	4,300	0.5
<b>Norway</b>			LXI REIT	3,577	0.4
Entra	3,170	0.3	Supermarket Income REIT	3,006	0.3
	3,170	0.3	Atrato	2,573	0.3
			Great Portland Estates	2,155	0.2
<b>Spain</b>			Target Health Care	1,647	0.2
Merlin Properties	26,318	2.7	Capital & Regional	1,422	0.2
Arima Real Estate	9,472	1.0	Helical	992	0.1
Inmobiliaria Colonial	3,794	0.4	Grainger	509	0.1
	39,584	4.1		327,804	34.1
			<b>Direct Property</b>	71,560	7.5
			<b>CFD Positions (included in current assets and current liabilities)</b>	(3,509)	(0.4)
			<b>Total Investment Positions</b>	961,375	100.0

Companies shown by country of listing.

# Investment properties

as at 30 September 2023

## Spread of direct portfolio by capital value (%)

as at 30 September 2023

	Retail	Industrial	Residential and Ground Rents	Other	Total
West End of London	48.3%	-	-	-	48.3%
Inner London	1.7%	38.9%	-	-	40.6%
South West	-	11.1%	-	-	11.1%
<b>Total</b>	50.0%	50.0%	-	-	100.0%

## Lease lengths within the direct property portfolio

as at 30 September 2023

	Gross rental income
0 to 5 years	38.4%
5 to 10 years	13.1%
10 to 15 years	44.3%
15 to 20 years	4.2%
20+ years	0.0%
	100.0%

## Contracted rent

Year 1	£3,100,000
Years 2-5	£9,650,000
Years 5+	£13,200,000
	£25,950,000

## 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. The residential element has been sold on a 999 year lease.

Ferrier Street Industrial Estate, Wandsworth, London SW18



**Sector:** Industrial

**Tenure:** Freehold

**Size (sq ft):** 36,000

**Principal tenants:** Sweaty Betty, Lockdown Bakery, Military Fitness

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

IO Centre, Gloucester Business Park, Gloucester GL3



**Sector:** Industrial

**Tenure:** Freehold

**Size (sq ft):** 63,000

**Principal tenants:** Infusion GB, Pulsin Ltd

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.



# Financial statements



# Group statement of comprehensive income

	Half year ended 30 September 2023 (Unaudited)			Half year ended 30 September 2022 (Unaudited)			Year ended 31 March 2023 (Audited)		
	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
<b>Income</b>									
Investment income	23,156	-	23,156	36,589	-	36,589	52,077	-	52,077
Other operating income	464	-	464	69	-	69	255	12	267
Gross rental income	1,571	-	1,571	1,576	-	1,576	3,513	-	3,513
Service charge income	294	-	294	463	-	463	946	-	946
Gains/(losses) on Investments held at fair value	-	16,374	16,374	-	(616,054)	(616,054)	-	(549,430)	(549,430)
Net movement on foreign exchange; investments and loan notes	-	(335)	(335)	-	(191)	(191)	-	(2,780)	(2,780)
Net movement on foreign exchange; cash and cash equivalents	-	(1,891)	(1,891)	-	2,508	2,508	-	2,016	2,016
Net returns on contracts for difference	3,722	622	4,344	5,825	58,420	64,245	9,462	(45,556)	(36,094)
<b>Total income</b>	<b>29,207</b>	<b>14,770</b>	<b>43,977</b>	<b>44,522</b>	<b>(555,317)</b>	<b>(510,795)</b>	<b>66,253</b>	<b>(595,738)</b>	<b>(529,485)</b>
<b>Expenses</b>									
Management and performance fees(note 2)	(745)	(7,334)	(8,079)	(824)	(2,473)	(3,297)	(1,560)	(4,680)	(6,240)
Direct property expenses, rent payable and service charge costs	(567)	-	(567)	(808)	-	(808)	(1,660)	-	(1,660)
Other administrative expenses	(659)	(284)	(943)	(598)	(253)	(851)	(1,163)	(542)	(1,705)
<b>Total operating expenses</b>	<b>(1,971)</b>	<b>(7,618)</b>	<b>(9,589)</b>	<b>(2,230)</b>	<b>(2,726)</b>	<b>(4,956)</b>	<b>(4,383)</b>	<b>(5,222)</b>	<b>(9,605)</b>
Operating profit/(loss)	27,236	7,152	34,388	42,292	(558,043)	(515,751)	61,870	(600,960)	(539,090)
Finance costs	(826)	(2,479)	(3,305)	(463)	(1,389)	(1,852)	(1,146)	(3,438)	(4,584)
<b>Profit/(loss) from operations before tax</b>	<b>26,410</b>	<b>4,673</b>	<b>31,083</b>	<b>41,829</b>	<b>(559,432)</b>	<b>(517,603)</b>	<b>60,724</b>	<b>(604,398)</b>	<b>(543,674)</b>
Taxation	(3,195)	2,123	(1,072)	(3,603)	1,190	(2,413)	(6,087)	2,495	(3,592)
<b>Total comprehensive income</b>	<b>23,215</b>	<b>6,796</b>	<b>30,011</b>	<b>38,226</b>	<b>(558,242)</b>	<b>(520,016)</b>	<b>54,637</b>	<b>(601,903)</b>	<b>(547,266)</b>
<b>Earnings/(loss) per Ordinary Share</b>	<b>7.31p</b>	<b>2.14p</b>	<b>9.45p</b>	<b>12.05p</b>	<b>(175.91)p</b>	<b>(163.86)p</b>	<b>17.22p</b>	<b>(189.67)p</b>	<b>(172.45)p</b>

The Total column of this statement represents the Group's Statement of Comprehensive Income, prepared in accordance with UK-adopted international accounting standards. 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 dividend of 9.85p (2022: 9.20p) in respect of the year ended 31 March 2023 was declared on 2 June 2023 and was paid on 1 August 2023. This can be found in the Group Statement of changes in Equity for the half year ended 30 September 2023.

The interim dividend of 5.65p (2022: 5.65p) in respect of the year ending 31 March 2024 was declared on 23 November 2023 and will be paid on 11 January 2024 to shareholders on the register on 15 December 2023. The shares will be quoted ex-dividend on 14 December 2023.

# Group statement of changes in equity

For the half year ended 30 September 2023 (Unaudited)	Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
<b>At 31 March 2023</b>	<b>79,338</b>	<b>43,162</b>	<b>43,971</b>	<b>801,875</b>	<b>968,346</b>
Total comprehensive income	-	-	-	30,011	30,011
Dividends paid	-	-	-	(31,259)	(31,259)
<b>At 30 September 2023</b>	<b>79,338</b>	<b>43,162</b>	<b>43,971</b>	<b>800,627</b>	<b>967,098</b>

For the half year ended 30 September 2022 (Unaudited)	Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
<b>At 31 March 2022</b>	79,338	43,162	43,971	1,396,268	1,562,739
Total comprehensive income	-	-	-	(520,016)	(520,016)
Dividends paid	-	-	-	(29,196)	(29,196)
<b>At 30 September 2022</b>	79,338	43,162	43,971	847,056	1,013,527

For the year ended 31 March 2023 (Audited)	Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
<b>At 31 March 2022</b>	79,338	43,162	43,971	1,396,268	1,562,739
Total comprehensive income	-	-	-	(547,266)	(547,266)
Dividends paid	-	-	-	(47,127)	(47,127)
<b>At 31 March 2023</b>	79,338	43,162	43,971	801,875	968,346

The notes from pages 20 to 24 form part of these financial statements.

# Group balance sheet

	30 September 2023 (Unaudited) £'000	30 September 2022 (Unaudited) £'000	31 March 2023 (Audited) £'000
<b>Non-current assets</b>			
Investments held at fair value	964,884	985,740	948,672
	964,884	985,740	948,672
Deferred taxation asset	903	903	903
	965,787	986,643	949,575
<b>Current assets</b>			
Debtors	61,934	95,476	65,287
Cash and cash equivalents	20,401	30,442	36,071
	82,335	125,918	101,358
Current liabilities	(22,651)	(40,155)	(23,654)
<b>Net current assets</b>	59,684	85,763	77,704
<b>Total assets less current liabilities</b>	1,025,471	1,072,406	1,027,279
Non-current liabilities	(58,373)	(58,879)	(58,933)
<b>Net assets</b>	967,098	1,013,527	968,346
<b>Capital and reserves</b>			
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	800,627	847,056	801,875
<b>Equity Shareholders' funds</b>	967,098	1,013,527	968,346
<b>Net Asset Value per:</b>			
Ordinary share	304.74p	319.37p	305.13p

# Group cash flow statement

	Half year ended 30 September 2023 (Unaudited) £'000	Half year ended 30 September 2022 (Unaudited) £'000	Year ended 31 March 2023 (Audited) £'000
<b>Reconciliation of profit from operations before tax to net cash outflow from operating activities</b>			
Profit/(losses) from operations before tax	31,083	(517,603)	(543,674)
Finance costs	3,305	1,852	4,584
(Gains)/losses on investments and derivatives held at fair value through profit or loss	(16,996)	557,634	594,986
Net movement on foreign exchange; cash and cash equivalents and loan notes	1,331	(882)	(336)
Scrip dividends included in investment income and net returns on contracts for difference	-	(6,061)	(6,325)
Sale of investments	171,842	205,676	448,587
Purchase of investments	(162,886)	(166,258)	(427,509)
Decrease/(increase) in prepayments and accrued income	3,263	1,554	(978)
(Increase)/decrease in sales settlement debtor	(3,113)	26,887	30,399
(Decrease)/increase in purchase settlement creditor	(8,390)	(5,364)	3,172
(Increase)/decrease in other debtors	(1,441)	(32,933)	1,419
Increase/(decrease) in other creditors	4,554	(24,411)	(22,265)
<b>Net cash inflow from operating activities before interest and taxation</b>	<b>22,552</b>	40,091	82,060
Interest paid	(3,305)	(1,852)	(4,584)
Taxation paid	(1,767)	(3,218)	(3,403)
<b>Net cash inflow from operating activities</b>	<b>17,480</b>	35,021	74,073
<b>Financing activities</b>			
Equity dividends paid	(31,259)	(29,196)	(47,127)
Repayment of loans	-	(10,000)	(25,000)
<b>Net cash outflow from financing activities</b>	<b>(31,259)</b>	(39,196)	(72,127)
<b>(Decrease)/increase in cash</b>	<b>(13,779)</b>	(4,175)	1,946
Cash and cash equivalents at start of period	36,071	32,109	32,109
Net movement on foreign exchange; cash and cash equivalents	(1,891)	2,508	2,016
<b>Cash and cash equivalents at end of period</b>	<b>20,401</b>	30,442	36,071

The notes from pages 20 to 24 form part of these financial statements.

# 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 UK-adopted 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", to the extent that it is consistent with UK-adopted International Accounting Standards.

In assessing Going Concern the Board has made a detailed assessment of the ability of the Company and the Group to meet its liabilities as they fall due, including stress and liquidity tests which considered the effects of substantial falls in investment valuations, revenues received and market liquidity as the global economy continues to suffer disruption due to inflationary pressures, the war in Ukraine and the outbreak of conflict in Israel and Gaza.

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. UK-adopted IAS, 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 accounting policies adopted are consistent with those of the previous consolidated annual financial statements.

The standards issued before the reporting date that become effective after 30 September 2023 are not expected to have a material effect on equity or profit for the subsequent period. The Group has not early adopted any new UK-adopted International Accounting Standards or Interpretation. Standards, amendments and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below:

IAS 1 Amendments – Classification of Liabilities as Current or Non-Current (effective date 1 January 2024). The amendments specify the requirements for classifying liabilities as current or non-current. The amendments are not expected to have a material impact on the Group's financial statements.

IAS 1 Amendments – Non-current Liabilities with Covenants (effective date 1 January 2024). The amendments improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also responded to stakeholders' concerns about the classification of such a liability as current or non-current.

## 2 Management and performance fees

	Half year ended 30 September 2023			Half year ended 30 September 2022			Year ended 31 March 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	745	2,233	2,978	824	2,473	3,297	1,560	4,680	6,240
Performance fee	-	5,101	5,101	-	-	-	-	-	-
	<b>745</b>	<b>7,334</b>	<b>8,079</b>	824	2,473	3,297	1,560	4,680	6,240

A provision has been made for a performance fee based on the net assets at 30 September 2023 (30 September 2022 – nil, 31 March 2023 – nil). Any payment is not due until the full year performance fee is calculated at 31 March 2024.

The management fee is a fixed fee of £4,090,000 plus an ad valorem fee of 0.20% per annum based on the net asset value (30 September 2022 £3,895,000, 31 March 2023 £3,895,000).

## 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 2023 (Unaudited) £'000	Half year ended 30 September 2022 (Unaudited) £'000	Year ended 31 March 2023 (Audited) £'000
Net revenue profit	23,215	38,226	54,637
Net capital profit/(loss)	6,796	(558,242)	(601,903)
Net total profit/(loss)	30,011	(520,016)	(547,266)
Weighted average number of shares in issue during the period	317,350,980	317,350,980	317,350,980
	pence	pence	pence
Revenue earnings per share	7.31	12.05	17.22
Capital earnings/(loss) per share	2.14	(175.91)	(189.67)
Earnings/(loss) per Ordinary share	9.45	(163.86)	(172.45)

The Group has no securities in issue that could dilute the return per Ordinary share. Therefore, the basic and diluted return per Ordinary share are the same.

## 4 Changes in share capital

During the half year and since 30 September 2023 no Ordinary shares have been purchased and cancelled.

As at 30 September 2023 there were 317,350,980 Ordinary shares (30 September 2022: 317,350,980; 31 March 2023: 317,350,980 Ordinary shares) of 25p in issue.

## 5 Going concern

The Directors believe that it is appropriate to continue 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, they believe that the Company has adequate financial resources to meet its liabilities as and when they fall due and continue in operational existence for a period of at least 12 months from the date of approval of this Half Year Report.

## 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 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	890,751	-	2,573	893,324
Investment properties	-	-	71,560	71,560
Contracts for difference	-	(3,509)	-	(3,509)
Foreign exchange forward contracts	-	38	-	38
	890,751	(3,471)	74,133	961,413

At 30 September 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	899,514	-	2,573	902,087
Investment properties	-	-	83,653	83,653
Contracts for difference	-	(13,658)	-	(13,658)
Foreign exchange forward contracts	-	442	-	442
	899,514	(13,216)	86,226	972,524

At 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	861,611	10,531	2,573	874,715
Investment properties	-	-	73,957	73,957
Contracts for difference	-	4,662	-	4,662
Foreign exchange forward contracts	-	(386)	-	(386)
	861,611	14,807	76,530	952,948

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.



## 6 Fair value of financial assets and financial liabilities (continued)

### 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 2023. Determination of the fair value of investment properties has been prepared on the basis define 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’ profile, 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 2023, 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

	31 March 2023 £'000	Purchases £'000	Sales £'000	Appreciation/ (Depreciation) £'000	30 September 2023 £'000
Unlisted equity investments	2,573	-	-	-	2,573
Investment properties					
– Mixed use	36,625	533	-	(2,945)	34,213
– Office & Industrial	37,332	42	-	(27)	37,347
	73,957	575	-	(2,972)	71,560
	76,530	575	-	(2,972)	74,133

### Transfers between hierarchy levels

There were no transfers during the year between any of the levels.

### Sensitivity information for Investment Property Valuations

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: £7.5 – £65 per sq ft
- Capitalisation rates: 3.0% – 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 long-term vacancy rate in isolation would result in a significantly lower (higher) fair value measurement.

### Loan Notes

On the 10th 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 10th February 2026 and 10th February 2031 respectively.

The fair value of the 1.92% Euro Loan Notes as at 30 September 2023 was £43,419,000 (30 September 2022: £43,930,000; 31 March 2023: £43,979,000)

The fair value of the 3.59% GBP Loan Notes as at 30 September 2023 was £14,116,000 (30 September 2022: £14,084,000; 31 March 2023: £14,338,000).

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 year.

## Notes to the financial statements

continued

### 6 Fair value of financial assets and financial liabilities (continued)

#### Multi-currency revolving loan facilities

The Group also has unsecured, multi-currency, revolving short-term loan facilities totalling £130,000,000 (30 September 2022: £130,000,000; 31 March 2023: £130,000,000). At 30 September 2023, £10,000,000 was drawn on these facilities (30 September 2022: £25,000,000; 31 March 2023: £10,000,000). The fair value is considered to approximate the carrying value and the interest is paid at a margin over SONIA.

### 7 Retained earnings

	30 September 2023 (Unaudited) £'000	30 September 2022 (Unaudited) £'000	31 March 2023 (Audited) £'000
Investment holding gains	(87,314)	(121,128)	(99,771)
Realised capital reserves	823,198	893,877	828,859
	735,884	772,749	729,088
Revenue reserve	64,743	74,307	72,787
	800,627	847,056	801,875

### 8 Related party transactions and transactions with the manager

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 Financial Statements.

### 9 Comparative Information

The financial information contained in this Half Year 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 2023 and 30 September 2022 has not been audited or reviewed by the Group auditors. The figures and financial information for the year ended 31 March 2023 are an extract from the latest published financial statements and do not constitute statutory financial statements for that year. Those financial statements 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.

# Directors' responsibility statement in respect of the Half Year Report

## Principal and Emerging Risks and Uncertainties

The principal risks and uncertainties facing the Company have not changed since the date of the Annual Report 2023 and continue to be as set out in that report.

The principal risks and uncertainties facing the Company include, but are not limited to, poor share price performance in comparison to the underlying NAV; poor investment performance of the portfolio relative to the benchmark; market risk; the Company is unable to maintain dividend growth; accounting and operational risks; financial risks; loss of Investment Trust Status; legal, regulatory and reporting risks; inappropriate use of gearing and personnel changes at Investment Manager. An explanation of these risks and how they are managed are set out on pages 37 to 40 of the Annual Report for the year ended 31 March 2023 (which can be found on the Company's website [www.trproperty.com](http://www.trproperty.com)).

## 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 a period of at least 12 months from the date of this report. Accordingly, the going concern basis is adopted in preparing the condensed financial statements.

## Directors' Responsibility Statement

In accordance with Chapter 4 of the Disclosure Guidance and Transparency Rules, the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with applicable UK Accounting Standards on a going concern basis and gives a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the half year report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the statement of Principal and Emerging Risks and Uncertainties shown opposite is a fair review of the principal and emerging risks and uncertainties for the remainder of the financial year; and
- the half year report includes a fair review of the related party transactions that have taken place in the first six months of the financial year.

On behalf of the Board

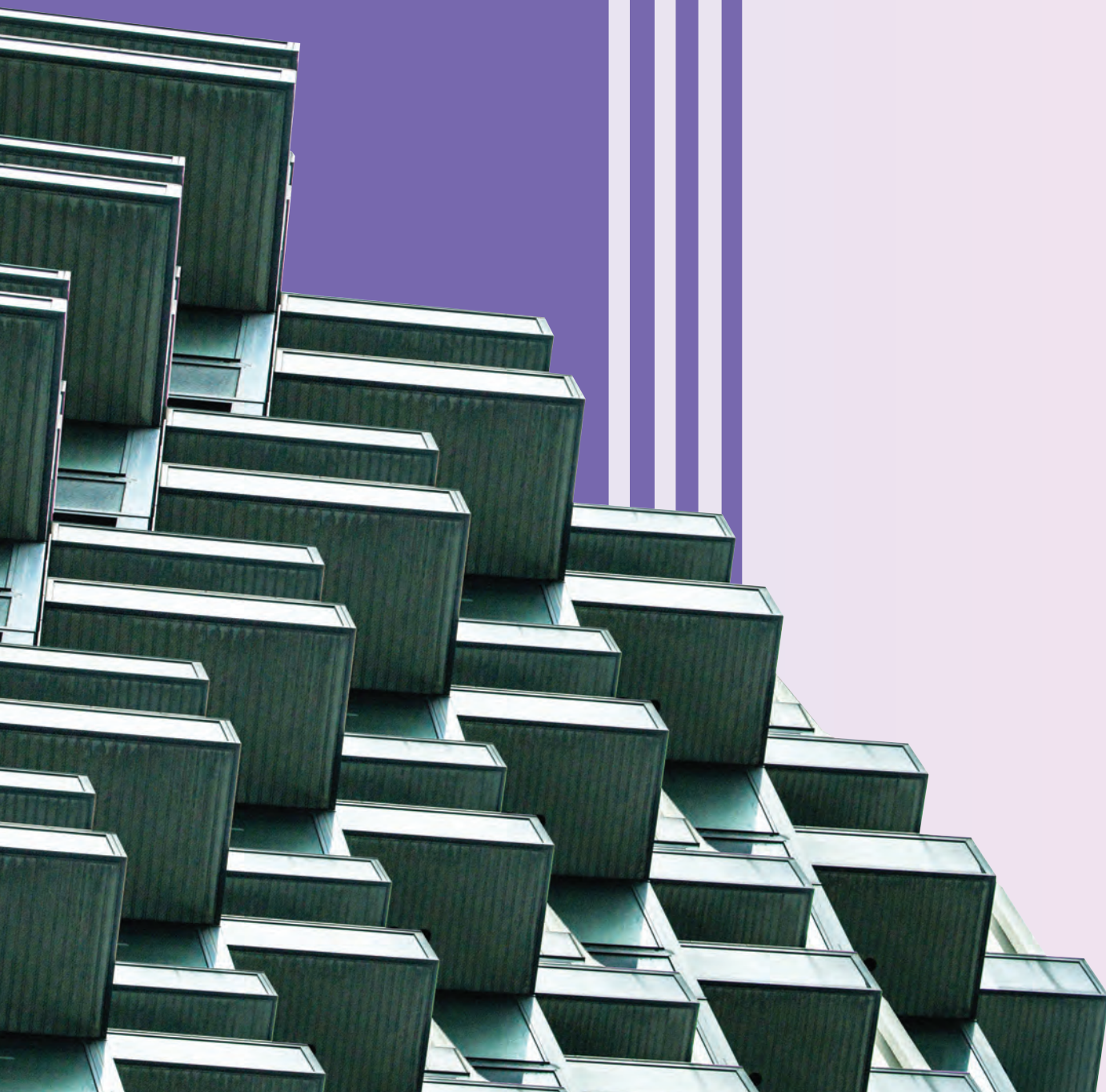
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**Kate Bolsover**

Chairman  
23 November 2023

The Board members as at the date of the report are listed on page 29.

# Glossary and AIFMD disclosure



# 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. See full details of the explanation and calculations on pages 106 and 108 of the Annual Report and Accounts for 31 March 2023.

### 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 trust companies 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 Company and make comparisons between investment trust companies.

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 Company is in meeting its objectives.

### MiFID

The 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.

# Shareholder information



# Directors and other information

## Directors

K Bolsover (Chairman)  
S-J Curtis  
T Gillbanks  
B Sodeinde  
A Vaughan

## Registered office

13 Woodstock Street,  
London W1C 2AG

## Registered number

Registered as an investment  
company in England  
and Wales No. 84492

## AIFM and Company Secretary

Columbia Threadneedle  
Investment Business Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

## Portfolio Manager

Thames River Capital LLP, authorised and  
regulated by the  
Financial Conduct Authority  
13 Woodstock Street,  
London W1C 2AG  
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

## Registrar

Computershare Investor Services PLC  
The Pavilions, Bridgwater Road  
Bristol BS99 6ZY  
Telephone: 0370 707 1363

## Registered Auditor

KPMG LLP  
15 Canada Square  
London E14 SGL

## Stockbrokers

Panmure Gordon (UK) Limited  
One New Change  
London EC4M 9AF

## Stifel Nicolaus Europe Limited

150 Cheapside  
London EC2V 6ET

## Solicitors

Slaughter and May  
One Bunhill Row  
London EC1Y 8YY

## Depository, custodian and fund administrator

BNP Paribas Securities Services  
10 Harewood Avenue  
Marylebone  
London NW1 6AA

## Tax advisers

PricewaterhouseCoopers LLP  
Central Square South  
Orchard Street  
Newcastle upon Tyne NE1 3AZ

## Website

[www.trproperty.com](http://www.trproperty.com)



The Association of  
Investment Companies

# General Shareholder information

## Announcement of results

The half year results are usually announced in November or early December. The full year results are usually 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: 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 29 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 and signed.

## Dividend re-investment plan ('DRIP')

TR Property Investment Trust plc 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](http://www.investorcentre.co.uk), or by phoning 0370 707 1355. 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 price of the Company's shares is published daily in The Financial Times, together with the estimated Net Asset Value and the discount/premium.

## Share price information

ISIN GB0009064097

SEDOL 0906409

Bloomberg TRY LN

Reuters TRY.L

Datastream TRY

## Benchmark

The benchmark index is stated on page 1 of this Half Year Report. It is published daily and can be found on Bloomberg;

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

## Internet

Details of the market price and Net Asset Value of the Company's shares can be found on the Company's website at [www.trproperty.com](http://www.trproperty.com).

Shareholders who hold their shares in certificated form can check their holdings with the Registrar, Computershare Investor Services PLC, via [www.investorcentre.co.uk](http://www.investorcentre.co.uk). Please note that to gain access to your details on the Computershare website you will need the Shareholder reference number stated on the top left hand corner of your share certificate.

## Disability Act

Copies of this Half Year Report 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 707 1355 or visit [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

TR Property Investment Trust plc 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](http://www.investorcentre.co.uk), or by phoning 0370 707 1355. 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 the Company. ISA and savings scheme providers 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 the Company, but there are many other options.

## interactive investor

interactive investor offers investors in the Company and other investment trust companies 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 provides and administers a range of self-select investment plans, including tax-advantaged ISAs and SIPP (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/>

## Columbia Threadneedle Investments ('CT')

CT offers 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 page 33.

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 Trust plc is through one of the savings plans run by Columbia Threadneedle Investments.

## CT Individual Savings Account (ISA)

You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

## CT Junior Individual Savings Account (JISA)\*

A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs with other providers can be transferred to Columbia Threadneedle Investments.

## CT Lifetime Individual Savings Account (LISA)

For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

## CT Child Trust Fund (CTF)\*

If your child already has a CTF, you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other providers can be transferred to Columbia Threadneedle Investments.

## CT 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 £100 lump sum or £25 a month.

## CT 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 £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

\*The CTF and JISA accounts are opened by parents 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.

## Charges

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

## Annual account charge

ISA/LISA: £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

£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

**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 & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to, these can be found at [ctinvest.co.uk/documents](http://ctinvest.co.uk/documents).

## How to Invest

To open a new Columbia Threadneedle Investments plan, apply online at [ctinvest.co.uk](http://ctinvest.co.uk) Online applications are not available if you are transferring an existing plan with another provider to Columbia Threadneedle Investments, or if you are applying for a new plan in more than one name but paper applications are available at [ctinvest.co.uk/documents](http://ctinvest.co.uk/documents) or by contacting Columbia Threadneedle Investments.

## New Customers

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

Email: [invest@columbiathreadneedle.com](mailto:invest@columbiathreadneedle.com)

## Existing Plan Holders

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By post: Columbia Threadneedle Management Limited, 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**

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