Annual Report and Audited Financial Statements

CT UK Commercial Property Fund ICVC

For the year ended:
28 February 2023

Formerly BMO UK Property Fund ICVC/
CT UK Property Fund ICVC

COLUMBIA THREADNEEDLE INVESTMENTS

Contents

* The Authorised Corporate Director's Report in accordance with the Investment Management Association (IMA) SORP (2014) and the Collective Investment Schemes Sourcebook comprises those items denoted above along with the Company Objective, Property Market Review and Outlook of the Company.

Directory

Company Information
CT UK Commercial Property Fund ICVC
Exchange House
Primrose Street
London
EC2A 2NY

Authorised Corporate Director
Columbia Threadneedle Fund Management Limited
Exchange House
Primrose Street
London
EC2A 2NY

Telephone: 0800 085 2752, Facsimile: (0207) 600 4180

The ACD is authorised and regulated by the Financial Conduct Authority and is a member of the IA.

Directors of the ACD
D.Logan, W. M. Tonkin, R. Watts, T. Watts,
C. Porter (independent), R. Fuller (independent)

Investment Advisor
Columbia Threadneedle REP AM plc
7 Seymour Street
London
W1H 7JW

Independent Auditors
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Property Advisor and Property Manager
Columbia Threadneedle REP PM Limited
7 Seymour Street
London
W1H 7JW

Depositary
State Street Trustees Limited

Registered Office
20 Churchill Place
London
E14 5HJ

Head Office and Principal Place of Business
Quartermile 3
10 Nightingale Way
Edinburgh
EH3 9EG

Fund Accounting and Unit pricing
State Street Bank and Trust Company
20 Churchill Place
London
E14 5HJ

Administrator and Registrar
SS&C Financial Services Europe Limited
SS&C House
St Nicholas Lane
Basildon
Essex
SS15 5FS

Legal Advisors
CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Independent Valuer
Knight Frank LLP
55 Baker Street
London
W1U 8AN

Company Information

Columbia Threadneedle Fund Management Limited, the Authorised Corporate Director (ACD) of the Open-Ended Investment Company (OEIC), is the sole director. The ACD has appointed Columbia Threadneedle REP PM Limited as the Property Advisor and Columbia Threadneedle REP AM plc as the Investment Manager to the sub-fund of the OEIC.

CT UK Commercial Property Fund ICVC (the 'Company') is an investment Company with variable capital under the Open-Ended Investment Company Regulations 2001 (SI2001/1228) (the "OEIC Regulations"). The Company comprises a single sub-fund, the CT UK Commercial Property Fund, which is a non-UCITS scheme.

Effective 4 July 2022, the Authorised Corporate Director of the Company has changed from BMO Fund Management Limited to Columbia Threadneedle Fund Management Limited.

Effective 4 July 2022, the Investment Advisor of the Company has changed from BMO Asset Management Limited to Columbia Threadneedle REP AM plc.

Effective 4 July 2022, the Property Advisor and Property Manager of the Company has changed from BMO REP Asset Management plc to Columbia Threadneedle REP PM Limited.

Financial statements

These financial statements are for the year 1 March 2022 to 28 February 2023.

Shareholders

Shares of the Company have no par value and the share capital of the Company will at all times equal the sum of the net asset value of each of the sub-funds. Shareholders are not liable for the debts of the Company.

Each sub-fund is a segregated portfolio of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other sub-fund and shall not be available for any such purpose.

The Company adopted segregated liability status for sub-funds on 8 June 2012. From that date the assets of one sub-fund may not be used to satisfy the obligations of another sub-fund.

While the provisions of the OEIC Regulations provide for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

Instrument of incorporation and Prospectus

The Company was incorporated and authorised by the Financial Conduct Authority (the "FCA") on 17 June 2010 under registered number IC825. As at 28 February 2023 the Company comprised a single sub-fund.

The investment objectives, investment policies and investment activity reports, for the Company are included in the financial statements.

Copies of the current prospectus, the latest annual report and any subsequent reports are available from the Administrator.

Other information

The Company offers both accumulation and income shares.

The Operating charges for each share class can be found in the sub-fund's Comparative Tables.

There were no cross holdings in the CT UK Commercial Property Fund ICVC as at 28 February 2023.

There have been no changes to the Risk Management systems during the year. Sensitivity to the most relevant risks has been assessed through a series of quantitative risk measures, including stress tests. There have been no breaches to the relevant risk limits during the year.

Columbia Threadneedle Fund Management Limited, ACD of the Company, is authorised by the FCA as an Alternative Investment Fund Manager ("AIFM"), and appointed as such, with effect from 22 July 2014.

On 1 September 2015, CT UK Commercial Property Fund converted to a Property Authorised Investment Fund (PAIF). Under the PAIF structure, tax-exempt investors, such as those invested through an ISA, pension fund or SIPP, as well as charities, are exempt from paying UK tax on distributions from property related income and interest payments. Investors who do not qualify to invest directly in the PAIF will be able to invest via the CT UK Commercial Property Feeder Fund which has the same underlying exposure to the directly held properties as the PAIF.

Value Assesment

A statement on the Assessment of Value is published on the 'Documents' section of our website at https://www.columbiathreadneedle.co.uk/en/intm/our-products/document-centre/. The document is published annually on the 30 June with an annual 'reference date' 31 March.

Sub-Fund and Company Name

Effective 4 July 2022, the sub-fund and Company names have changed as follows:

Old Name	**New Name**
BMO UK Property Fund	CT UK Property Fund
BMO UK Property Fund ICVC	CT UK Property Fund ICVC

Effective 6 February 2023, the sub-fund and Company names have changed as follows:

Old Name	**New Name**
CT UK Property Fund	CT UK Commercial Property Fund
CT UK Property Fund ICVC	CT UK Commercial Property Fund ICVC

Report on Remuneration (unaudited)

This section of the annual report has been prepared in accordance with the Alternative Investment Fund Managers Directive 2011/61/EC ("AIFM Directive") and the Financial Conduct Authority's Handbook (SYSC 19B: AIFM Remuneration Code).

In accordance with the AIFM Directive, Columbia Threadneedle Fund Management Limited (formerly BMO Fund Management Limited), the designated Alternative Investment Fund Manager ("AIFM") for CT UK Commercial Property Fund ICVC, has adopted a remuneration policy which is consistent with the remuneration principles applicable to AIF management companies and aligned with the Columbia Threadneedle Asset Management (EMEA) Remuneration Policy. The size of the AIFM and the size of the funds it manages, the internal organisation and the nature, the scope and the complexity of their activities have been taken into consideration in this disclosure.

Remuneration policy

The purpose of the AIFM's remuneration policy is to describe the remuneration principles and practices within the AIFM and for such principles and practices:

(a) to be consistent with, and promote, sound and effective risk management;

(b) to be in line with the business strategy, objectives, values and interests of the AIFM;

(c) not to encourage excessive risk-taking as compared to the investment policy of the relevant sub-funds of the AIFM;

(d) to provide a framework for remuneration to attract, motivate and retain staff (including directors) to which the policy applies in order to achieve the objectives of the AIFM; and

(e) to ensure that any relevant conflicts of interest can be managed appropriately at all times.

Decision making and governance

The board of directors (the "Board") of the AIFM is responsible for the remuneration policy of the AIFM and for determining the remuneration of the directors of the AIFM and other staff who undertake professional activities for the AIFM. The Board has delegated to the Risk and Remuneration Committee (the "Committee") of Columbia Threadneedle Asset Management (Holdings) plc responsibility for maintaining a compliant remuneration policy. The Committee solely comprises non-executive directors of Columbia Threadneedle Asset Management (Holdings) plc. The Board has adopted the remuneration policy applicable to all members of the Group ("Columbia Threadneedle Asset Management (EMEA)") for this financial year as reviewed and approved by the Committee periodically (at least annually). The Committee is responsible for, and oversees, the implementation of the remuneration policy in line with the AIFMD Regulations. The Board considers that the members of the Committee have appropriate expertise in risk management and remuneration to perform this review.

Applicability

The remuneration policy, which incorporates compliance with AIFMD requirements, applies to staff whose professional activities have a material impact on the risk profile of the AIFM or of the funds it manages ("Identified Staff") and so covers:

(a) senior management;

(b) risk takers;

(c) control functions ; and

(d) employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profile of the AIFM.

The Identified Staff list and the selection criteria above are subject to regular review (at least annually) by the Committee as well as formally reviewed in the event of significant organisation changes and changes in remuneration regulations the AIFM is subject to.

Linking remuneration with performance

The AIFM's remuneration policy is part of the Columbia Threadneedle Asset Management (EMEA) framework for promoting sound remuneration management, with the objective of providing total compensation to its employees that is warranted by corporate, business unit/function and individual performance and is comparable to market competitors, whilst being consistent with and promoting sound and effective risk management and the achievement of fair outcomes for all customers. Its purpose is to facilitate achievement of the business objectives and corporate values of the AIFM, with the primary focus on clients, whilst ensuring that Columbia Threadneedle Asset Management (EMEA) is able to attract, retain and motivate the key talent required to achieve these business objectives and corporate values without incentivising excessive or inappropriate risk.

When setting remuneration levels, the following components and principles form part of the remuneration management framework:

- Fixed remuneration is determined taking into account factors including the requirements of the particular role and the staff member's experience, expertise, contribution level and the fixed pay for comparable roles. Fixed remuneration is set, with reference to market data, at a level that is sufficient to attract high calibre staff as well as to permit the operation of a fullyflexible remuneration policy (including the possibility of a staff member receiving reduced or no variable remuneration in a particular year). The Committee keeps the balance between fixed and variable remuneration under review.
- Variable remuneration is determined annually by reference to both financial and non-financial AIFM performance considerations. External competitor practices are included in the funding review to ensure compensation opportunities in the markets within which the AIFM operates are given due consideration and retention risks are effectively managed. Incentive funding is developed in view of current and projected economics and risks, supported by Columbia Threadneedle Asset Management (EMEA) Risk and Compliance Committee inputs, ensuring risk-adjustments and qualitative and quantitative considerations, such as the cost and quantity of capital and liquidity are actively considered as funding adjustments. The Committee ensures that all incentive awards are not paid through vehicles or methods that facilitate the avoidance of the requirements with regard to remuneration imposed by applicable law and/or regulations.
- Variable remuneration is allocated to respective business functions by reference to:
    - contribution of the respective business function or unit to corporate performance;
    - business function performance relative to pre-determined targets and objectives, including adherence to risk management obligations; and
    - competitive market pay data.

Individual award allocations are referenced to the individual achievement during the performance year relative to pre-agreed objectives and assessment of market comparability. Performance is assessed in relation to pre-agreed objectives, which include financial and non-financial goals (including the achievement of fair customer outcomes), compliance with the Group's policies and procedures, adherence to risk management and compliance requirements and the Group's Code of Conduct. The assessment of performance for Identified Staff reflects multi-year performance in a manner appropriate to the life-cycle of the funds that are managed by the AIFM.

- Application of Financial Conduct Authority's Handbook (SYSC 19B: AIFMD Remuneration Code) pay-out process rules, save for disapplication at individual or AIFM level, which is determined by an annual proportionality assessment.

Quantitative remuneration disclosure

The total remuneration paid by Columbia Threadneedle Fund Management Limited to its staff is zero, as all AIFM staff are employed by other companies in Columbia Threadneedle Investments (EMEA).

The table below provides an overview of aggregate total remuneration paid to AIFM Identified Staff in respect of the proportion of their pay aligned to their AIFM responsibilities. It is not possible to apportion remuneration by individual Identified Staff working on a specific investment fund, therefore figures are provided in aggregate on an AIFM basis.

As at 31 December 2022	Headcount number	Fixed Remuneration £m	Variable Remuneration £m	Total Remuneration £m
Remuneration of AIFMD Identified Staff of which:	**37**	**0.44**	**0.74**	**1.18**
Senior Management	12	0.17	0.37	0.54
Other Code Staff	25	0.27	0.37	0.64

Notes on the quantitative remuneration disclosure

Total remuneration reported is the sum of salary, cash bonus, any deferred annual bonus, value of any long-term incentive awards granted in respect of performance in the reportable financial year, plus the value of any applicable cash allowances.

"Senior Management" are defined in this table as the AIFM Directors, Executive and Non-Executive Directors and Group Management Team members of Columbia Threadneedle Asset Management. "Other Code Staff" includes all other identified Code staff in business areas, internal control functions and corporate functions.

The Identified Staff disclosure represents total compensation of those staff who are fully or partly involved in the activities of the AIFM funds, apportioned to the estimated time relevant to the AIFM or to the amount attributable to the AIFM allocated on an AUM basis.

Delegation

The table below sets out those other entities to which Columbia Threadneedle Fund Management Limited has delegated portfolio and/or risk management activities and Columbia Threadneedle Fund Management Limited's assessment of the extent to which the delegate is subject to equivalent regulatory requirements for remuneration.

Delegated Entity	Location	Assessment of extent to which regulatory requirements are equivalent
Columbia Threadneedle Management Limited	UK	Equivalent under Capital Requirements Directive

AIFM activities

The following table provides an overview of the size and composition of the funds managed by the AIFM, including CT UK Commercial Property Fund ICVC. This shows the total number of funds managed, the split between, and proportions of AIF, UCITS and other funds.

	Number of funds	AUM as at 31 December 2022 (GBP)	% of AUM as at 31 December 2022
Alternative investment funds	12	2,215,497,316	28%
UCITS	36	5,589,384,050	72%
Total	**48**	**7,804,881,366**	**100%**

AIFMD leverage

In accordance with the AIFM the ACD is required to calculate and monitor the level of leverage of a company, expressed as a percentage exposure of the company in relation to its Net Asset Value (Exposure/NAV), under both the “gross” method and the “commitment” method. Further information regarding these different leverage calculation methods can be found in the AIFMD and the Supplementary Information on Risk Management Process which is available upon request. Currently the prospectus for the CT UK Commercial Property Fund ICVC includes a leverage limit of 110% of NAV.

For the year ended 28 February 2023 the leverage calculations were as follows:

CT UK Commercial Property Fund ICVC %		
Limit	**Gross**	**Commitment**
Min	79.6	81.6
Max	100.0	100.3
Mean	97.0	97.6

Calculated based on monthly data.

Statement of Authorised Corporate Director’s Responsibilities in relation to the Regulations of the Company

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes sourcebook, (the ”Regulations”) as issued and amended by the Financial Conduct Authority require the ACD to prepare financial statements for each annual accounting period which give a true and fair view of the financial affairs of the Company and of its net revenue and the net capital losses on the property of the Company for the year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in May 2014;
- follow generally accepted accounting principles and applicable United Kingdom accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- take reasonable steps for the prevention and detection of fraud and non-compliance with laws or regulations;
- make judgements and estimates that are prudent and reasonable; and
- prepare financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for the management of the Company in accordance with its Prospectus and the Regulations.

Certification of Financial Statements by Directors of the Authorised Corporate Director

This report contains the information required by the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued in May 2014, the Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook, in the case of final financial statements and was approved for publication on 27 June 2023.

Director

On behalf of Columbia Threadneedle Fund Management Limited
Authorised Corporate Director

27 June 2023

Report of the Depositary to the Shareholders of the CT UK Commercial Property Fund ICVC ("formerly BMO UK Property Fund ICVC")

for the year ended 28 February 2023

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from (22 July 2014/ date of AIFMD authorisation) the Investment Funds Sourcebook, the Open-Ended Investment companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits in accordance with the Regulations;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Company documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations, the documents of the Company; and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

State Street Trustees Limited

27 June 2023

Independent Auditors' Report to the Shareholders of the CT UK Commercial Property Fund ICVC ("formerly BMO UK Property Fund ICVC")

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of CT UK Commercial Property Fund ICVC ("formerly BMO UK Property Fund ICVC") (the "Company"):

- give a true and fair view of the financial position of the Company and its sub-fund as at 28 February 2023 and of the net revenue and the net capital losses on the scheme property of the Company and its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

CT UK Commercial Property Fund ICVC ("formerly BMO UK Property Fund ICVC") is an Open Ended Investment Company ('OEIC') with a single sub-fund. The financial statements of the Company comprise the financial statements of its sub-fund. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 28 February 2023; the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders and the Cash Flow Statement for the year then ended; the Distribution Tables; and Notes to the Financial Statements, which include a description of the significant accounting policies (within the Accounting and distributions policies section).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or any subfunds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's Responsibilities in relation to the Regulations of the Company, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and its sub-fund ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company and its sub-fund. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to rental yields used within the valuation of investment properties.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

27 June 2023

Authorised Corporate Director's Investment Report

for the year ended 28 February 2023

Company manager	Guy Glover & Emma Gullifer
Company size	£239.7 million
Launch date	28 June 2010

Company objective

It is intended that the Company will be a PAIF at all times and as such the investment objective of the Company is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business as further described below.

The Company aims to achieve a return combining capital growth and income over the long term (5-7 years).

The invested assets of the Company will consist of a diversified portfolio of UK commercial property. Such exposure will be gained directly, as well as indirectly, for example, via real estate investment trusts. Indirect investment, including participation in co-ownership arrangements, is permitted where the arrangements do not result in additional restrictions on the liquidity of the Company. Up to 10% of the net asset value of the Company may be invested in collective investment schemes.

The Company is actively managed and the Company seeks to add value through strategic asset allocation, stock selection and asset management.

The proportion of invested assets from time to time may vary depending on market conditions and the availability of properties on acceptable terms. At all times, the Company will maintain an allocation of assets for liquidity purposes which is expected, in normal market conditions, to be approximately 15% of the total assets of the Company but this can vary significantly depending upon flows and outlook for the section and is also actively managed. This proportion of the Company will comprise transferable securities including government and corporate fixed interest securities, collective investment schemes, money market instruments, deposits and derivatives, cash and near cash.

Derivatives may be used for investment purposes as well as for efficient portfolio management. The use of derivatives will be limited.

Portfolio Update

The CT UK Commercial Property Fund ICVC delivered a return of -12.05% at the property portfolio level over the 12-month period. While the first half of the year continued to deliver strong positive performance thanks to the overweight position to Industrials and Logistics, the impact of the mini-budget in September 2022, and the ensuing rapid rise in gilt yields causing a repricing in property values, held back overall performance for the 12 month period. The property portfolio continues to deliver positive performance over a 3yr, 5yr and 10yr basis.

From a future outlook perspective the industrial and logistics exposure, now totalling 62% of the Fund's portfolio, provides strong prospects for capturing rental growth through asset management initiatives capitalising on the continued strong demand for these assets. Two recent examples include the re-letting of the Fund's unit at Trafford Park, Manchester, which has secured a new record rent for Trafford Park at £10.50 per sq ft, and a new lease currently under negotiation at Newcastle-under-Lyme which should secure a rent 37% ahead of the previous rent passing.

The industrial and logistics exposure is complemented by longer-term income from the hotel sector and supermarkets, and a focused weighting to retail warehousing and core office assets where we see underlying alternative use potential, or in markets with tight supply. The Fund's core investment strategy has always focused on providing long-term, stable income with growth, an approach backed up by a vacancy rate at just 5.5%[1].This strategy, alongside the portfolio positioning and potential for future capital growth, nicely positions the Fund as a strong prospect to deliver stable income, diversification and potential continued outperformance for investors.

The portfolio is positioned to provide long term and secure income with growth potential and the performance of the properties is not aiming to replicate the MSCI index. Furthermore, the cash levels which provide daily liquidity in the current period of ongoing political uncertainty, will affect company performance.

[1] excluding units under offer

Fund Property Report

CT UK Commercial Property Fund ICVC – Key Highlights

CT UK Commercial Property Fund ICVC – Key highlights

Total property income return

5.2%

total property income return

Total property return

-12.05%

(standing property portfolio)

Fund growth

£0m

over the past 12 months on a like-for-like basis

Total fund return

-10.84%

total fund return

Unexpired lease length

5.9 years

unexpired lease length of portfolio

Rental growth

£800,172

rental growth captured

Total fund income return

£330 (3.3%)

for every £10,000 invested

Current void level

5.5%[1]

current void rate

[1] Excluding units under offer

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

Portfolio

The Company's property portfolio produced an ungeared total return* of -12.05% over the 12 months to February 2023. The total return was made up of an income return of 5.2%, with capital movements holding back the overall total return at -16.4%.

The property portfolio has delivered an ungeared total return of 3.0% per cent per annum on a three year annualized basis, and 3.5% on a five year annualized basis.

At 28th February 2023 the value of the property portfolio was £201,700,000, below the value of the portfolio in February 2022 when the value of the portfolio stood at £239,675,000. This was primarily due to the valuation movements across the portfolio following the mini-budget in September 2022.

No assets were acquired or sold in the past 12 months.

The Manager has been focused on driving performance from the existing portfolio with a number of rent reviews, re-gears and lease renewals having occurred. The new lease at the Fund's unit at Trafford Park, Manchester has been secured for 15 years at a rent 50% ahead of the previous rent passing, and a new lease is being negotiated at Newcastle-under-Lyme at a rent 37% ahead of the previous rent passing. At the Royal Mail unit in Hatfield a rent review was settled at a rent 44% ahead of the previous rent passing.

At the sector level, the portfolio's office assets delivered the most resilient performance, producing a total return of -3.6% over the 12 months to February. This was primarily due to these assets having been relatively less impacted by the asset valuation movements in the final quarter of 2022, as the Fund's office assets had already seen outward yield movement over the period since 2020 and therefore had relatively higher yields that were less vulnerable to outward movement in yields. All of the Fund's assets delivered higher returns relative to the MSCI Monthly Index, at -12.05% compared to -13.08%.

The majority of the best performing assets were in the retail or office sectors, driven by the relative resilience in capital values of these assets in the second half of the year.

The top 5 performing assets were:

Address	Sector	Occupier	Total Return
Seer Green, Beaconsfield	Office	Perkin Elmer	31.24
Sainsburys, 360 Hill Lane, Southampton	Retail	Sainsburys	8.33
Ringwood Retail Park, Bournemouth	Retail Warehousing	Various	5.07
24-25 Princes Street, Edinburgh	Retail	Black Sheep Coffee	2.43
Empire Court, Trafford Park, Manchester	Industrial and Logistics	AFL to Ferraris Piston Limited	0.41

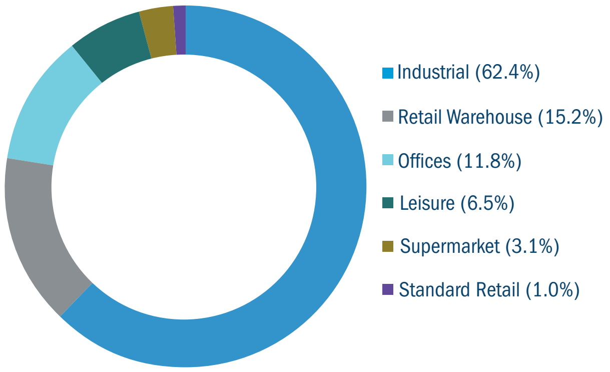
As importantly the poorer returning assets are:

Address	Sector	Occupier	Total Return
Apex 30, London Road, Staines Upon Thames	Industrial and Logistics	Various	(21.45)
A2 Glory Park, High Wycombe	Office	Vacant	(24.48)
Unit D, Poplar Park, Avonmouth	Industrial and Logistics	Elemis	(24.55)
Units 1-4 Woodside Road, Eastleigh	Industrial and Logistics	South Central Ambulance Service NHS Trust	(27.61)
Lymedale Business Park, Newcastle-under-Lyme	Industrial and Logistics	Vacant	(27.98)

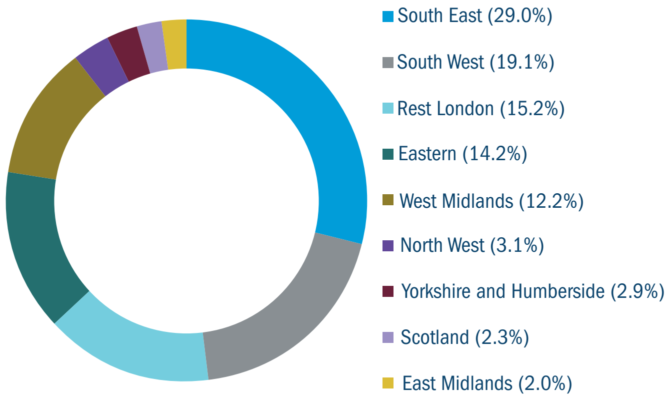
The fund's poorest performing assets are mainly in the industrial and logistics sector. While the occupational fundamentals in the sector remain very robust, as evidenced by the rental growth captured over the previous year, yields in the sector moved outwards over the final quarter of 2022 in response to gilt movements and interest rate hikes following the mini-budget in September 2022. The industrial and logistics sector was most impacted by yield movements as this sector had seen considerable yield compression over the period 2020-2021, and therefore was most sensitive to rises in the risk free rate.

The current sector and geographical analysis as at 28th February 2023 is indicated below.

Sector Analysis
As at 28 February 2023



Geographical Analysis
As at 28 February 2023



Source: Columbia Threadneedle Real Estate Partners

The portfolio’s above market income return of 5.2% (12 months to February 2023), low void rate of 5.5% and weighted unexpired lease term of c.5.9 years, secured primarily to low risk corporate tenants are all good defensive characteristics, leaves the portfolio well placed to deliver on the Funds objective. The portfolio offers a high exposure to Industrial and Logistics property at c. 62% of total property assets and to the wider South/South East (63% per cent of assets by value), sectors and geographies supported by continued strong tenant demand, and constrained supply-side dynamics.

ESG Update Feb 2023

The importance of environmental and social factors, together with the management of those factors through corporate governance, continues to strengthen within the UK commercial property market. The Fund has strived to maintain positive asset-level interventions and occupier engagement. Notably, the Fund published its ambition to achieve net zero carbon on its investment properties by 2030 during the previous reporting year. This year, the Company refined its net zero carbon statements by looking at ways in which the Fund can support its net zero carbon ambition at asset level, which confirmed its target of achieving net zero by 2030.

Following the Fund’s ESG strategy, other progress has been made in several key areas:

- The Fund submitted to the 2022 GRESB real estate survey in July, scoring 64, representing a two-star rating.
- The Fund continues to procure 100% of energy for landlord-supplied areas from renewable sources, and explore opportunities for on-site renewable energy generation, including on sites where an occupier has sole responsibility for managing the unit.
- The Fund has maintained its Living Wage accreditation and continues to ensure that all in-scope employees operating under its direct third-party supply contracts are paid the appropriate rates of pay according to the Living Wage Foundation. Furthermore, the Fund has encouraged wider uptake of this initiative by seeking to include a living wage clause in all new leases, achieving this in 44% of new leases since 2019.
- The Fund has pursued its aim of negotiating green clauses into all new lease transactions. Inclusion of green clauses helps to improve engagement with occupiers and exchange of sustainability related data.
- Through its ESG Appraisal process, and in line with the Manager’s ESG operating guidelines, the Fund continues to regularly review and update the classification of assets according to landlord energy spend and energy efficiency profiles, ensuring that associated risks are understood and mitigated to preserve income profiles.
- The Fund takes every opportunity to improve the environmental and social characteristics of individual assets through application of its Sustainable Development Framework, pursuing specific initiatives and by engagement with occupiers. In 2022, the Fund carried out significant refurbishment works at Trafford Park, Manchester. The works included energy efficiency improvements, including installation of solar photovoltaic panels (270 kWp), new VRV Air Conditioning and air source heat pumps providing hot water within the office accommodation. As a result, the Energy Performance Certificate rating was elevated from a C to an A+ rating. Further measures to future-proof the asset in terms of climate change mitigation, included removal of the natural gas infrastructure and installation of electric vehicle charge points.

- The Fund continues to be accredited under ISO 14001 for its environmental management system through audit by the British Standards Institute in respect of its directly managed assets.

Finally, the Fund continues to publish INREV compliant ESG Reports with verified environmental data alongside its annual reporting, driving greater transparency into activity and performance on material environmental, social and governance issues.

The Company and its Property Managers remain vigilant to the evolving nature of the sustainability agenda and will continue to develop its approach to fully integrating ESG factors into decision-making processes to best achieve ESG ambitions.

Property Market Review

In 2022 the UK recorded £61.8 billion invested into commercial real estate with activity in 2022 16% lower than 2021. Investment performance has inevitably been affected by economic uncertainty and rising interest rates making debt more expensive and subduing investment activity. Activity slowed as the year progressed with 62% (£38.6 billion) of all deals taking place over the first six months of the year. Quarter 4 volumes slumped to £10.1 billion, the lowest since the height of the recent health pandemic in Q2 2020 and fewer properties were sold in the fourth quarter than in any quarter since 2011 with only a handful of £100 million plus deals concluding. Residential accounted for 28% of H2 2022 deals, followed by industrial and offices with a 24% share each.

The headwinds facing property owners and investors meant a slow start to 2023 and the year will be one of price discovery. While yields softened and valuations fell in the latter part of last year, progress will be slower than hoped as investors are, by and large, delaying the deployment of capital in order to see where pricing settles. The UK has however, seen a rapid price correction, and this should go some way to helping settle the market, avoiding a lengthy period of capital value recovery that was seen after the Global Financial Crisis (GFC). This support investor activity from the middle of 2023 onwards, with the positive momentum rolling over into 2024 and while there is still some way to go the downturn will present opportunities to buy prime assets at renewed pricing levels. Prime and secondary prices moved out in tandem during 2022, prime pricing is expected to see some stability in 2023 while secondary pricing will continue to see greater capital value decline. As was the case in 2022, the focus over the next 12 months will be on preserving income rather than capital growth. While occupier performance will be crucial, so will active asset management with landlords needing to raise their level of engagement with their tenant base – clipping the coupon is a thing of history.

Overall investment volumes in 2023 will be lower than in 2022 due to the lingering lack of transparency around pricing, which will impact how long deals are taking to close. Levels are not expected to fall back to those seen after the GFC when historic low volumes were recorded. But investors are far less exposed to debt costs than they were during the GFC. And although there is a degree of uncertainty in the market, if more stability in the political arena rolls over to the economy and the positioning of interest rates in the latter half of 2023, there is likely to be a return to more concrete levels of investment activity. There is renewed interest in the UK market from international investors and opportunistic buyers, which will help with price discovery and offer clarity on the level as which yields will stabilise.

The UK real estate sector continues to attract a range of investors from across the world into what is a mature, broad market with opportunities across the risk spectrum. Over the past five years international capital has accounted for around 50% of all transactions in the UK, including during 2020 when the impact of the pandemic was severely felt. Global capital, in particular from the United States and Canada, is active and this is not expected to change in 2023. European capital (excluding the UK), whilst only accounting for 10% of deals over the past five years, came from a diverse range of locations with Germany, France, Switzerland, the Netherlands and Spain taking the top five spots. Singaporean capital is the most acquisitive across Asia Pacific, followed by Hong Kong and South Korea. As 2023 unfolds these will remain, but higher volumes are anticipated from Japan and potentially Malaysia.

Outlook

The UK economy expanded by 4.0% in 2022 as it rebounded after COVID. However, 2022 was a tumultuous year which started on a promising note: the worst of the Covid-19 pandemic appeared to be behind us, lockdowns were lifted and government support packages were being withdrawn indicating confidence in the strength of the economic rebound. Investors found a renewed appetite for real estate and there was a significant amount of capital around, some actively being deployed and some waiting to be deployed in a competitive marketplace. And then geopolitical events took over. The largely unforeseen invasion of Ukraine by Russia at the end of February dampened the positivity, and the good start to 2022 deteriorated as consumer confidence and spending were impacted by the inflationary squeeze on real incomes and multiple hikes in interest rates. This was coupled with political events that have seen three prime ministers and four chancellors in a year and reflects the upheaval the market is having to deal with.

The December 2022 MPC meeting saw interest rates rise a further 50bps to 3.50%. The February 2023 meeting also delivered a 50-bps rise taking the base rate to 4.00%, followed quickly by a 25-bp hike in March to 4.25% with the Bank signalling that rates are close to their peak. Developments in the labour market will be crucial. The current situation is the reverse of the global financial crisis (GFC) when unemployment rose and job vacancies fell. This time the labour market is much more robust, but there are signs that things are beginning to loosen with vacancies starting to decline, albeit slowly, as companies look to cut costs and preserve margins.

In terms of GDP, remarkably the economy appears to have avoided recession in 2022 suggesting that the UK economy did not contract in Q4. However, the outlook for the near-term is not without its challenges. High inflation and the inability of wage growth to keep pace is causing consumers to struggle as household incomes are squeezed although in the March Budget the Chancellor offered extra financial support to households for the short term, which should lower inflation and support activity. Much of the impact of the rate hikes seen in 2022 have yet to fully feed through to the economy. However, recent better-than-expected activity data and the waning effect of industrial action suggest that q/q GDP growth will probably come in just above zero in Q1 2023 with January GDP rising by 0.3% m/m regaining some of the ground it lost in December when output fell by 0.5%. But an extra bank holiday for the King's coronation means GDP could fall modestly in Q2 2023.

So, while GDP overall in 2022 was 4.0% it was front-loaded and the slower second half to the year will roll-over into 2023 where growth is expected to be flat (albeit revised up from a 0.4% contraction). The first half of the year will feel the greater impact of a weakened economy with the outlook for the second half of the year brighter and a recovery becoming more evident. The outlook beyond 2023 should be more stable with some expansion in the economy and more manageable levels of inflation. The UK economy is expected to expand by 1.5% in 2024.

Columbia Threadneedle Fund Management Limited

27 June 2023

Schedule of Occupiers

Investment Properties	Occupiers
Hatfield, Royal Mail, Hatfield Business Park	Royal Mail Group Limited
Bath, Cambridge House, Henry Street	Chase de Vere IFA Group plc
	Maplecroft.Net Limited
	Novia Financial plc
	Podium Bath Limited
	Triangle Fitness Bristol Ltd
Birmingham, Apollo, Advanced Manufacturing Hub	Salts Healthcare Limited
Bournemouth, Ringwood Road Retail Park	SportsDirect.com Retail Limited
	T J Morris Limited
	TJX UK
Dartford, 32-33 Clipper Boulevard East	Pentagon Freight Services plc
Greenford, 74 Long Drive	The Fresh Olive Company Ltd
Milton Keynes, Deltic Avenue, Bradwell Common	Ingram Content Group UK Ltd
Romford, North Street	Matalan Retail Ltd
Staines-Upon-Thames, Apex 30, London Road	Front Runner Logistics Limited
	Hire Station Limited
Avonmouth, Unit D, Poplar Park, Cabot Park	Elemis Limited
Bury St Edmunds, Travelodge Hotel & Starbucks, Etna Road	23.5 Degrees Limited
	Premier Inn Hotels Limited
Eastleigh, Unit 1-4 Woodside Road	South Central Ambulance Service NHS Trust
Leeds, Old Run Road, Hunslet	Symington’s Limited
Manchester, Empire Court, 5th Avenue, Trafford Park	Vacant
Newcastle-Under-Lyme, Lymedale Business Park	Tree of Life UK Limited
Portsmouth, Unit 1&2, Access Point, Northarbour	Formaplex Technologies Limited
	Peta Limited
Seer Green, Chalfont Road, Buckinghamshire	PerkinElmer Limited
Stafford, Tollgate Business Park	The Moot Group Ltd
Aberdeen, Siemens Unit, Raith’s Industrial Estate	Siemens plc
Buxton, B&Q Unit, Staden Lane	B & Q Ltd
Edinburgh, 24-25 Princes Street	Black Sheep Coffee Shops Limited
High Wycombe, A2 Glory Park, Wooburn Green	Vacant
London SW12, Balham, 39 Nightingale Lane	Sainsbury’s Supermarkets Ltd
Richmond, Onslow Hall, Little Green	H. A. Hyatt & Co Limited
Southampton, 360 Hill Lane	Sainsbury’s Supermarkets Ltd
Tunbridge Wells, Kingstanding Way	Carpetright Limited

Portfolio Statement

As at 28 February 2023

	Sector	Market value £'000	Total net assets %
INVESTMENT PROPERTIES (79.14%*)#		**198,441**	**82.78**
PROPERTIES VALUED BETWEEN £20M AND £25M (7.25%*)			
PROPERTIES VALUED BETWEEN £15M AND £20M (21.55%*)		**19,500**	**8.13**
Hatfield, Royal Mail, Hatfield Business Park	Industrial		
PROPERTIES VALUED BETWEEN £10M AND £15M (18.28%*)		**98,626**	**41.14**
Bath, Cambridge House, Henry Street	Offices		
Birmingham, Apollo, Advanced Manufacturing Hub	Industrial		
Bournemouth, Ringwood Road Retail Park	Retail Warehousing		
Dartford, 32-33 Clipper Boulevard East	Industrial		
Greenford, 74 Long Drive	Industrial		
Milton Keynes, Deltic Avenue, Bradwell Common	Industrial		
Romford, North Street	Retail Warehousing		
Staines-Upon-Thames, Apex 30, London Road	Industrial		
PROPERTIES VALUED BETWEEN £5M AND £10M (24.49%*)		**56,584**	**23.61**
Avonmouth, Unit D, Poplar Park, Cabot Park	Industrial		
Bury St Edmunds, Travelodge Hotel & Starbucks, Etna Road	Hotel		
Eastleigh, Unit 1-4 Woodside Road	Industrial		
Leeds, Old Run Road, Hunslet	Industrial		
Manchester, Empire Court, 5th Avenue, Trafford Park	Industrial		
Newcastle-Under-Lyme, Lymedale Business Park	Industrial		
Portsmouth, Unit 1&2, Access Point, Northarbour	Industrial		
Seer Green, Chalfont Road, Buckinghamshire	Offices		
Stafford, Tollgate Business Park	Industrial		
PROPERTIES VALUED BETWEEN £0M AND £5M (7.57%*)		**23,731**	**9.90**
Aberdeen, Siemens Unit, Raith's Industrial Estate	Industrial		
Buxton, B&Q Unit, Staden Lane	Retail Warehousing		
Edinburgh, 24-25 Princes Street	Retail		
High Wycombe, A2 Glory Park, Wooburn Green	Offices		
London SW12, Balham, 39 Nightingale Lane	Retail		
Richmond, Onslow Hall, Little Green	Offices		
Southampton, 360 Hill Lane	Retail		
Tunbridge Wells, Kingstanding Way	Retail Warehousing		
Portfolio of investments		**198,441**	**82.78**
Net other assets		**41,277**	**17.22**
Total net assets		**239,718**	**100.00**

Unless otherwise stated, all investment properties are freehold or feuhold.

* Comparative figures shown in brackets relate to 28 February 2022.

\# Land and buildings.

Portfolio Movements

For the year ended 28 February 2023

There were no purchase and sales for the year ended 28 February 2023.

Comparative Tables

As at 28 February 2023

Share Class 1 – Accumulation	Final 28/02/23 (p)	Final 28/02/22 (p)	Final 29/02/21 (p)
Change in net assets per share			
Opening net asset value per share	**154.00**	130.15	133.91
Return before operating charges*	**(14.81)**	26.43	(1.58)
Operating charges#	**(2.39)**	(2.16)	(1.93)
Property expenses	**(0.31)**	(0.42)	(0.25)
Return after operating charges*	**(17.51)**	23.85	(3.76)
Distributions	**(3.09)**	(3.93)	(2.24)
Retained distributions on accumulation shares	**3.09**	3.93	2.24
Closing net asset value per share	**136.49**	154.00	130.15
*after direct transaction costs of:†	**0.58**	0.30	0.46
Performance			
Return after charges	**(11.37)%**	18.33%	(2.81)%
Other information			
Closing net asset value (£'000)	**350**	1,320	14,165
Closing number of shares	**256,152**	857,284	10,883,430
Operating charges#	**1.56%**	1.55%	1.50%
Property expenses	**0.20%**	0.30%	0.20%
Direct transaction costs†	**0.38%**	0.21%	0.35%
Prices**			
Highest share price	**158.20**	152.20	140.30
Lowest share price	**133.40**	128.70	126.40

† Direct transaction costs are stated after adjusting for dilution levy in relation to direct transaction costs in accordance to the IMA SORP 2014. These costs might appear positive or negative depending on the timing of investment activity within the company.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

** The highest and lowest prices are based on officially published prices.

Comparative Tables (continued)

As at 28 February 2023

Share Class 1 – Income	Final 28/02/23 (p)	Final 28/02/22 (p)	Final 29/02/21 (p)
Change in net assets per share			
Opening net asset value per share	**115.74**	100.41	105.13
Return before operating charges*	**(11.12)**	20.39	(1.25)
Operating charges#	**(1.74)**	(1.67)	(1.52)
Property expenses	**(0.22)**	(0.32)	(0.20)
Return after operating charges*	**(13.08)**	18.40	(2.97)
Distributions on income shares	**(2.32)**	(3.07)	(1.75)
Closing net asset value per share	**100.34**	115.74	100.41
*after direct transaction costs of:†	**0.42**	0.23	0.36
Performance			
Return after charges	**(11.30)%**	18.32%	(2.83)%
Other information			
Closing net asset value (£’000)	**77**	84	134
Closing number of shares	**76,451**	72,444	133,833
Operating charges#	**1.55%**	1.55%	1.50%
Property expenses	**0.20%**	0.30%	0.20%
Direct transaction costs†	**0.38%**	0.21%	0.35%
Prices**			
Highest share price	**118.80**	116.10	110.20
Lowest share price	**99.40**	99.26	98.24

† Direct transaction costs are stated after adjusting for dilution levy in relation to direct transaction costs in accordance to the IMA SORP 2014. These costs might appear positive or negative depending on the timing of investment activity within the company.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

** The highest and lowest prices are based on officially published prices.

Comparative Tables (continued)

As at 28 February 2023

Share Class 2 – Accumulation	Final 28/02/23 (p)	Final 28/02/22 (p)	Final 29/02/21 (p)
Change in net assets per share			
Opening net asset value per share	**81.87**	68.70	70.26
Return before operating charges*	**(8.08)**	13.99	(0.92)
Operating charges#	**(0.65)**	(0.60)	(0.51)
Property expenses	**(0.16)**	(0.22)	(0.13)
Return after operating charges*	**(8.89)**	13.17	(1.56)
Distributions	**(2.14)**	(2.58)	(1.58)
Retained distributions on accumulation shares	**2.14**	2.58	1.58
Closing net asset value per share	**72.98**	81.87	68.70
*after direct transaction costs of:†	**0.30**	0.16	0.24
Performance			
Return after charges	**(10.86)%**	19.17%	(2.22)%
Other information			
Closing net asset value (£'000)	**28,013**	40,167	31,674
Closing number of shares	**38,386,056**	49,062,581	46,104,182
Operating charges#	**0.80%**	0.80%	0.75%
Property expenses	**0.20%**	0.30%	0.20%
Direct transaction costs†	**0.38%**	0.21%	0.35%
Prices**			
Highest share price	**84.28**	80.88	73.66
Lowest share price	**71.23**	67.92	66.61

† Direct transaction costs are stated after adjusting for dilution levy in relation to direct transaction costs in accordance to the IMA SORP 2014. These costs might appear positive or negative depending on the timing of investment activity within the company.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

** The highest and lowest prices are based on officially published prices.

Comparative Tables (continued)

As at 28 February 2023

Share Class 2 – Income	Final 28/02/23 (p)	Final 28/02/22 (p)	Final 29/02/21 (p)
Change in net assets per share			
Opening net asset value per share	**115.06**	99.82	104.50
Return before operating charges*	**(11.20)**	20.15	(1.38)
Operating charges#	**(0.91)**	(0.87)	(0.76)
Property expenses	**(0.23)**	(0.32)	(0.20)
Return after operating charges*	**(12.34)**	18.96	(2.34)
Distributions on income shares	**(2.98)**	(3.72)	(2.34)
Closing net asset value per share	**99.74**	115.06	99.82
*after direct transaction costs of:†	**0.43**	0.23	0.36
Performance			
Return after charges	**(10.72)%**	18.99%	(2.24)%
Other information			
Closing net asset value (£'000)	**22,116**	42,773	35,705
Closing number of shares	**22,173,256**	37,175,935	35,769,868
Operating charges#	**0.80%**	0.81%	0.75%
Property expenses	**0.20%**	0.30%	0.20%
Direct transaction costs†	**0.38%**	0.21%	0.35%
Prices**			
Highest share price	**118.50**	115.80	109.60
Lowest share price	**99.00**	98.72	97.74

† Direct transaction costs are stated after adjusting for dilution levy in relation to direct transaction costs in accordance to the IMA SORP 2014. These costs might appear positive or negative depending on the timing of investment activity within the company.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

** The highest and lowest prices are based on officially published prices.

Comparative Tables (continued)

As at 28 February 2023

Share Class F – Accumulation^	Final 28/02/23 (p)	Final 28/02/22 (p)	Final 29/02/21 (p)
Change in net assets per share			
Opening net asset value per share	**66.89**	55.81	56.71
Return before operating charges*	**(6.72)**	11.29	(0.79)
Operating charges#	**(0.03)**	(0.03)	–
Property expenses	**(0.13)**	(0.18)	(0.11)
Return after operating charges*	**(6.88)**	11.08	(0.90)
Distributions	**(2.16)**	(2.63)	(1.83)
Retained distributions on accumulation shares	**2.16**	2.63	1.83
Closing net asset value per share	**60.01**	66.89	55.81
*after direct transaction costs of:†	**0.25**	0.13	0.19
Performance			
Return after charges	**(10.29)%**	19.85%	(1.59)%
Other information			
Closing net asset value (£'000)	**189,162**	214,155	250,633
Closing number of shares	**315,221,139**	320,148,551	449,050,928
Operating charges#	**0.05%**	0.05%	0.00%
Property expenses	**0.20%**	0.30%	0.20%
Direct transaction costs†	**0.38%**	0.21%	0.35%
Prices			
Highest share price	**69.04**	66.10	59.52
Lowest share price	**58.49**	55.18	54.01

† Direct transaction costs are stated after adjusting for dilution levy in relation to direct transaction costs in accordance to the IMA SORP 2014. These costs might appear positive or negative depending on the timing of investment activity within the company.

Operating charges are expenses associated with the maintenance and administration of the Fund on a day-to-day basis that are actually borne by the share class.

** The highest and lowest prices are based on officially published prices.

^ Share Class F Accumulation has been designated specifically for investment by the CT UK Commercial Property Feeder Fund only.

Statement of Total Return

For the year ended 28 February 2023

Notes		01/03/22 to 28/02/23		01/03/21 to 28/02/22	
		£'000	£'000	£'000	£'000
	Income				
2	Net capital (losses)/gains		**(39,198)**		41,130
3	Revenue	**13,051**		15,062	
4	Expenses	**(2,603)**		(1,040)	
6	Interest payable and similar charges	**–**		–	
	Net revenue before taxation	**10,448**		14,022	
5	Taxation	**–**		–	
	Net revenue after taxation		**10,448**		14,022
	Total return before distributions		**(28,750)**		55,152
6	Distributions		**(10,448)**		(14,023)
	Change in net assets attributable to shareholders		**(39,198)**		41,129

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 28 February 2023

	01/03/22 to 28/02/23		01/03/21 to 28/02/22	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**298,499**		332,311
Amounts receivable on creation of shares	**43,443**		38,713	
Amounts payable on cancellation of shares	**(71,386)**		(124,782)	
		(27,943)		(86,069)
Dilution adjustment		**330**		1,078
Change in net assets attributable to shareholders		**(39,198)**		41,129
Retained distribution on accumulation shares		**8,030**		10,050
Closing net assets attributable to shareholders		**239,718**		298,499

Notes to the financial statements are on pages 28 to 39.

Balance Sheet
As at 28 February 2023

Notes		28/02/23 £'000	28/02/22 £'000
	Assets		
	Fixed assets		
	Investment properties	**198,441**	236,221
	Current assets		
8	Debtors	**8,340**	19,051
10	Cash and bank balances	**37,086**	49,861
	Total assets	**243,867**	305,133
	Liabilities		
	Distribution payable	**(1,071)**	(2,108)
9	Other creditors	**(3,078)**	(4,526)
	Total liabilities	**(4,149)**	(6,634)
	Net assets attributable to shareholders	**239,718**	298,499

Notes to the financial statements are on pages 28 to 39.

Cash Flow Statement

For the year ended 28 February 2023

	01/03/22 to 28/02/23 £'000	01/03/21 to 28/02/22 £'000
Operating activities		
Net revenue after taxation	**10,448**	14,022
Interest received	**(966)**	(22)
Movement in debtors	**8,481**	(11,576)
Movement in creditors	**(616)**	450
Cash from operations	**17,347**	2,874
Income distributions paid	**(3,375)**	(3,352)
Net cash generated from/(used in) operating activities	**13,972**	(478)
Cash flows from investing activities		
Capital expenditure	**(1,477)**	(1,037)
Disposal of investments properties	**59**	60,970
Interest received	**966**	22
Net cash generated (used in)/from investing activities	**(452)**	59,955
Cash flow from financing activities		
Issue of accumulation and income shares	**45,786**	36,573
Redemption of accumulation and income shares	**(72,411)**	(133,698)
Dilution adjustment	**330**	1,078
Net cash used in financing activities	**(26,295)**	(96,047)
Net decrease in cash	**(12,775)**	(36,570)
Balance brought forward	**49,861**	86,431
Balance carried forward	**37,086**	49,861
Movement in cash during the year	**(12,775)**	(36,570)

Notes to the financial statements are on pages 28 to 39.

Notes to the Financial Statements

for the year ended 28 February 2023

1. Accounting and distribution policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Management Association (IMA) in May 2014.

The financial statements have been prepared on the going concern basis.

The ACD has undertaken a detailed assessment of the sub-fund's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the sub-fund continues to be open for trading and the ACD is satisfied the sub-fund has adequate financial resources to continue in operation for the foreseeable future and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

(b) Basis of valuation of investments

Investment properties

Direct freehold and leasehold properties are valued monthly on the basis of market value in accordance with the current Royal Institution of Chartered Surveyors ("RICS") Appraisal and Valuation Standards (The Red Book) as advised by the Independent Valuer in accordance with the Prospectus.

The Company's freehold and feuhold properties were independently valued on 28 February 2023 which was the last business day/valuation point before year-end by Giles Coward, MRICS, Partner in Knight Frank LLP, acting in the capacity of independent valuers. The valuations were in accordance with the requirements of FRS 102 and the RICS Valuations Standards. The valuer's opinion of market values was primarily derived using recent market transactions on arm's length terms.

The fair value in respect of immovable property is defined by the IMA SORP 2014 as open market value. Certain freehold and feuhold property valuations include an element of rental income that is non-transferable in an open market transaction. The impact of this non-transferable element has been disclosed on page 38 of the accounts in order to arrive at the fair value. The adjustment is recognised through the portfolio of investments and creditors and as such no adjustment to the net assets attributable to shareholders is required.

All expenses relating to the acquisition and disposal of properties, except abortive transaction costs are charged against capital.

(c) Revenue recognition

Rental and bank interest revenue are recognised on an accruals basis. Distributions from collective investment schemes are recognised when the security is quoted ex-dividend. Equalisation on distributions received is deducted from the cost of the investment. Rental revenue received in advance is deferred and recognised as revenue over the period to which it relates.

Rent frees/inducements are smoothed over the lease term in line with FRS 102 and a corresponding Fair Value adjustments is made.

(d) Service charges

In accordance with the requirements of FRS 102 service charge revenue and service charge expenditure, attributable to tenants, are accounted for on an accruals basis and in the accounting period in which the services are rendered. When the Company is acting as principal, service charge revenue and expenditure are separately disclosed under revenue and expenses in the Statement of Total Return. When the Company is acting as an agent, the commission rather than gross revenue and expenses is recorded.

1. Accounting policies (continued)

(d) Service charges (continued)

In determining whether the Company is acting as principal or agent and hence whether the revenue and expenditure is recognised gross or net, the following indicators (of being a principal) are considered:

- the Company is the primary obligor in the arrangement i.e. the obligation to settle service charges is with the Company;
- the Company bears the risks of owning the property;
- the Company has latitude in establishing the rentals;
- the Company has discretion in service charge supplier selection;
- the Company is involved in the determination of lease specifications; and
- the Company bears the credit risk.

In practice, a review of lease agreements will give sufficient indication whether or not the above criteria are met.

(e) Expenses

All expenses, other than those relating to the purchase and sale of financial investments and properties, are charged to the revenue property of the Company and are recognised on an accruals basis. All direct acquisition costs, significant capital enhancements, refurbishment expenditure and handling charges are capitalised and are included in note 2.

(f) Allocation of revenue and expenses to multiple share classes

The allocation of revenue and expenses to each share class is based upon the proportion of the Company's assets attributable to each share class on the day the revenue is earned or the expense is suffered. The Authorised Corporate Director's periodic charge is a specific expense to each share class.

(g) Exchange rates

Transactions in overseas currencies are translated to sterling at the rates of exchange ruling on the day of any such transaction. Foreign currency balances are converted to sterling at the exchange rates applicable at the end of the accounting period.

(h) Deferred tax

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(i) Current taxation

The charge for taxation is based at the current rate on taxable revenue for the period less allowable expenses.

(j) Depreciation

In accordance with FRS 102 "Accounting for Investment Properties", no provision for depreciation has been made in respect of freehold investment properties or leasehold investment properties which have unexpired lease terms in excess of 20 years. See note 16. Fair Value.

(k) Distribution policy

The revenue on income shares is distributed to shareholders on a semi-annual basis on the last business day of April and October. The revenue on accumulation shares is retained and reinvested and is reflected in the value of the shares. If the revenue exceeds expenses and taxation, taken together at the end of an accounting period, a distribution is available to be made to shareholders in accordance with the regulations. It is the policy of the Company to pay property, interest and dividend distributions.

(l) Gains and losses on investments

Gains and losses, including exchange differences in the valuation of investments held at the balance sheet date, including unrealised exchange differences, are treated as capital.

(m) Cash Flow Statement

In accordance with the requirements of FRS 102 and the IMA SORP (2014), a sub-fund's Cash Flow Statement has been provided as property investments are not deemed to satisfy the exemption criteria in FRS 102 of being highly liquid.

1. Accounting policies (continued)

(n) Dilution adjustment

All client transactions into and out of a sub-fund may result in the Investment Adviser buying or selling the underlying investments of the sub-fund, thereby attracting dealing costs which would otherwise be borne by the sub-fund's current investors.

As a result, long-term investors could be adversely affected by other investors trading in and out of the sub-fund. This effect is known as dilution.

However, an adjustment to the NAV can be made if the sub-fund experiences net subscriptions or redemptions on a particular dealing day, to reduce the impact of dilution costs. This adjustment is called swing pricing. This is a technique which reduces the impact of dilution and helps to protect existing investors. It aims to ensure that investors subscribing or redeeming from a sub-fund bear the trading costs, i.e. the underlying bid/offer spreads and transaction costs.

The extent to which prices are swung is based on an estimated dealing cost made up of a number of elements, including bid-offer spreads, commissions and other transaction costs. Commissions and other costs (e.g. transaction tax) will be based on an historic analysis of actual trades. The estimated rates are reviewed and updated periodically.

(o) Provision for bad debts

It is the policy of the Company to provide for the potential non-recovery of tenant debts by way of a bad debts provision.

Provisions are made for tenant arrears greater than one year, and also for recommendations made by the Managing Agents for specific tenant circumstances, where tenants are facing financial difficulties and there is a risk that the debt will not be recovered. Arrears are written off at the discretion of the ACD where non recoverability of specific tenant debts is confirmed.

(p) Cash and cash equivalents

Cash and cash equivalents comprises current deposits with banks including bank overdrafts and short-term (mature within 3 months) highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Amounts held at brokers relates to futures margin accounts.

2. Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	01/03/22 to 28/02/23 £'000	01/03/21 to 28/02/22 £'000
(Losses)/gains on investments in investment properties	**(39,198)**	41,130
Net capital (losses)/gains*	**(39,198)**	41,130

* The above includes realised gains of £58,000 and unrealised losses of £39,256,000 (28/02/22: realised losses of £4,867,000 and unrealised gains of £45,997,000).

3. Revenue

	01/03/22 to 28/02/23 £'000	01/03/21 to 28/02/22 £'000
Bank interest	**966**	22
Rental income	**11,255**	14,704
Service charges received	**819**	335
Other income	**11**	1
Total revenue	**13,051**	15,062

4. Expenses

	01/03/22 to 28/02/23 £’000	01/03/21 to 28/02/22 £’000
Payable to the ACD, associates of the ACD, and agents of either of them:		
ACD’s periodic charge	**572**	705
ACD’s periodic charge rebate*	**(93)**	(75)
	479	630
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary’s fee	**86**	91
Other expenses:		
Aborted purchase costs	**22**	–
Accounting & administration fees	**79**	74
AIFMD fee	**16**	15
Audit fee	**51**	51
Historic VAT written off	**(24)**	(29)
KIID publication costs	**1**	1
Legal fees	**6**	–
Other expenses	**551**	834
Professional fees	**–**	3
Provision for bad debts	**446**	(1,066)
Registrar’s fees	**3**	3
Report & accounts printing costs	**6**	5
Service charges	**819**	335
Valuation fees	**62**	93
	2,038	319
Total expenses	**2,603**	1,040

* This relates to a rebate paid by the ACD when the “surplus cash” (defined as cash and similarly liquid holding less cash committed to uncompleted property purchases) is greater than 15% of the NAV.

The PricewaterhouseCoopers LLP audit fee for the year, exclusive of VAT, is £46,271 (28/02/22: £42,450).

5. Taxation

		01/03/22 to 28/02/23 £'000	01/03/21 to 28/02/22 £'000
(a)	**Analysis of charge in year**		
	Total tax charge for the year (note 5b)	–	–
(b)	**Factors affecting current tax charge for the year**		
	The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:		
	Net revenue before taxation	10,448	14,022
	Corporation tax at 20% (2022: 20%)	2,090	2,804
	Effects of:		
	Capital allowances	(386)	(300)
	Tax deductible interest distributions	(185)	(4)
	Tax deductible PID distributions	(1,519)	(2,494)
	Expenses not deductible for tax purposes	–	(6)
	Total tax charge for the year (note 5a)	–	–

(c) Deferred taxation

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

Whilst properties in which the Company invests may have capital allowances attributable to them, these allowances are dependent on the relevant properties being held at the Company's period end. Since the properties are principally held for investment purposes, there is no certainty that they will be held at the year end and as such, the Company only recognises these allowances as they crystallise and therefore no deferred tax asset and corresponding charge is provided for.

6. Finance costs

Distributions and interest

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/03/22 to 28/02/23 £'000	01/03/21 to 28/02/22 £'000
Interim distributions	4,138	5,274
Final distributions	4,711	6,156
Income tax withheld	1,519	2,494
	10,368	13,924
Add: Revenue deducted on cancellation of shares	193	269
Deduct: Revenue received on creation of shares	(113)	(170)
Net distributions for the year	10,448	14,023
Interest	–	–
Total finance costs	10,448	14,023

Details of the distribution per share is set out in the distribution tables on pages 40 to 41.

7. Movement between net revenue and net distributions

	01/03/22 to 28/02/23 £'000	01/03/21 to 28/02/22 £'000
Net revenue after taxation	**10,448**	14,022
Undistributed revenue	**–**	1
Net distributions for the year	**10,448**	14,023

8. Debtors

	28/02/23 £'000	28/02/22 £'000
Amounts receivable for issue of shares	**190**	2,420
Accrued revenue*	**596**	191
Accrued ACD fee rebates	**13**	6
Property rental income receivable account	**3,802**	12,625
Lease incentives*	**3,259**	3,454
Tenant debtor#	**201**	331
Property – Prepayments	**24**	24
VAT recoverable	**255**	–
Total debtors	**8,340**	19,051

* Both Accrued revenue and Lease incentives have been restated with a movement of £3,454,000 due to amendment in the prior year disclosure, the result of this amendment is that Accrued revenue has been restated from £3,645,000 to £191,000 and Lease incentives has been restated from £nil to £3,454,000. This amendment is to show Accrued revenue and Lease incentives consistently between accounting periods.

The Tenant debtor at 28 February 2023 of £804,696 (28/02/22: £489,265) was offset by Provision for bad debts of £604,215 (28/02/22: £158,643).

9. Other creditors

	28/02/23 £'000	28/02/22 £'000
Amounts payable for cancellation of shares	**197**	1,029
Accrued expenses*	**691**	495
Accrued ACD's periodic charge	**30**	51
VAT payable	**–**	1,186
Rental income billed in advance	**738**	674
Rent deposits*	**1,422**	1,091
Total other creditors	**3,078**	4,526

* Both Accrued expenses and Rent deposits have been restated with a movement of £1,091,000 due to amendment in the prior year disclosure, the result of this amendment is that Accrued expenses has been restated from £1,586,000 to £495,000 and Rent deposits has been restated from £nil to £1,091,000. This amendment is to show Accrued expenses and Rent deposits consistently between accounting periods.

10. Cash and bank balances

	28/02/23 £'000	28/02/22 £'000
Cash and bank balances	**37,086**	49,861
Total cash and bank balances	**37,086**	49,861

11. Portfolio transaction costs

	Purchases		Sales	
	01/03/22 to 28/02/23 £'000	01/03/21 to 28/02/22 £'000	01/03/22 to 28/02/23 £'000	01/03/21 to 28/02/22 £'000
Investment properties	–	–	–	61,655
Trades in the year before transaction costs	–	–	–	61,655
Total commissions	–	–	–	–
Total taxes	–	–	–	–
Investment properties costs				
Capital expenditure	**1,477**	1,037	**59**	(685)
Total investment properties costs	**1,477**	1,037	**59**	(685)
Total costs	**1,477**	1,037	**59**	(685)
Total net trades in the year after transaction costs	**1,477**	1,037	**59**	60,970

Total transaction cost expressed as a percentage of asset class trades:

	Purchases		Sales	
	01/03/22 to 28/02/23 %	01/03/21 to 28/02/22 %	01/03/22 to 28/02/23 %	01/03/21 to 28/02/22 %
Investment properties costs				
Capital expenditure	–	–	–	1.11
Total costs	–	–	–	1.11

Total transaction cost expressed as a percentage of average NAV:

	01/03/22 to 28/02/23 %	01/03/21 to 28/02/22 %
Capital expenditure	**0.49**	0.57
Total costs	**0.49**	0.57

Transaction costs are expenses incurred when buying and selling financial investments.

Average portfolio dealing spread

The Company does not have an average portfolio dealing spread as it only holds property at the balance sheet date.

12. Related party transactions

Columbia Threadneedle Fund Management Limited, as Authorised Corporate Director (ACD), is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue, and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to, or from, Columbia Threadneedle Fund Management Limited at the end of the accounting year are disclosed in notes 9 and 8 respectively.

Amounts payable to Columbia Threadneedle Fund Management Limited in respect of fund management and receivable from Columbia Threadneedle Fund Management Limited in respect of expense rebates are disclosed in note 4 and amounts due at the end of the year in note 9.

The ACD is also the ACD or Manager for other authorised funds and those funds may invest in each other where this is within the investment objectives of the investing fund. Such transactions will be conducted on an arm's length basis within the regulations and the terms of the prospectus. No such transactions were entered into during the current year.

Short term deposits held with Bank of Montreal during the prior year were considered to be related parties. The revenue from these short term deposits was £9,617.

13. Shareholders' funds

The Company has three share classes in issue: Class 1, Class 2 and Class F.

The ACD's periodic charge on each share class is as follows:

	%
Share Class 1 – Accumulation:	1.50
Share Class 1 – Income:	1.50
Share Class 2 – Accumulation:	0.75
Share Class 2 – Income:	0.75
Share Class F – Accumulation:	–

The net asset value of each share class, the net asset value per share and the number of shares in each share class are given in the Comparative Tables on pages 20 to 24.

The distributions per share class are given in the Distribution Tables on pages 40 to 41.

All share classes have the same rights on winding up.

Share class	Opening shares in issue	Creations	Cancellations	Shares converted	Closing shares in issue
Share Class 1 – Accumulation:	857,284	126,953	(613,460)	(114,625)	256,152
Share Class 1 – Income:	72,444	61,362	(57,355)	–	76,451
Share Class 2 – Accumulation:	49,062,581	19,153,126	(30,044,205)	214,554	38,386,056
Share Class 2 – Income:	37,175,935	5,218,149	(20,220,828)	–	22,173,256
Share Class F – Accumulation:	320,148,551	33,101,947	(38,029,359)	–	315,221,139

14. Capital commitments and contingent liabilities

As at 28 February 2023, the Fund had no capital commitments (28/02/22: £nil) and no contingent liabilities (28/02/22: £nil).

15. Financial instruments

In pursuing its investment objectives, the Company holds a number of financial instruments. The Company's financial instruments, other than derivatives comprise:

- properties which are held in accordance with the Company's investment objectives and policies;
- cash, liquid resources, short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies, which are invested on their behalf;
- shares/units in collective investment schemes which are either a money market scheme or a scheme of a category that is equivalent to a money market scheme; and
- short-term borrowings used to finance investment activity.

The main risks arising from the Company's financial instruments are property, market price, credit, liquidity and interest rate risks. The ACD reviews policies for managing each of these risks and these are summarised below. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

Property risk

A property's value is likely to be affected by its individual characteristics such as local supply and demand for such property or alternative properties, or its suitability for alternative uses, as well as more general factors including government regulations, planning and tax law and practice, interest rates, inflation, available financing and the availability and attractiveness of alternative investment opportunities.

Current legislation imposes potential onerous obligations on the owner of a property subject to certain forms of contamination. These obligations would have to be met by the Company in the event that one of its properties included such contamination and the costs were not recoverable from the persons responsible.

The ACD meets regularly to consider the asset allocation of the portfolio in order to minimise the risk associated with particular industry sectors whilst continuing to follow the investment objective. An individual Company manager has the responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameter and seeks to ensure that individual permitted asset classes also meet a risk reward profile that is acceptable.

Market price risk

Market price risk, being the risk that the value of the Company's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement, arise mainly from uncertainty about future prices of holdings of the Company.

Rental income and property values are affected by a number of factors, including change in general climate, local conditions, property management, competition on rental rates, attractiveness and location of the properties, financial condition of tenants, buyers and sellers of properties, quality of maintenance, insurance and management services and changes in operation costs.

Market risk represents the potential loss in the Company might suffer through holding market positions in the face of price movements. The ACD regularly reviews the asset allocation of the portfolio in order to minimise the risk associated with particular sectors whilst continuing to follow the investment objectives. An individual Company manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seeks to ensure that individual holdings also meet the risk reward profile that is acceptable. If market prices move by 5%, then the impact on the portfolio will be +4.1% and -4.1% respectively.

15. Financial instruments (continued)

Counterparty credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Company has fulfilled its responsibilities. The Company only buys and sells investments which have been approved by the ACD as an acceptable counterparty and these are reviewed on an ongoing basis.

Assets of the Company may need to be sold if insufficient cash is available to finance redemptions. The manager constantly reviews the banks at which cash is deposited.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities including the obligation to repurchase its shares.

Properties such as those in which the Company may invest are relatively illiquid. Such illiquidity may affect the Company’s ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions. It may therefore be difficult to deal in such investments or to obtain reliable information about their true value. Investors should note that in times of poor liquidity requests for redemption may be deferred to the next valuation point.

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of Shares in the Company where due to exceptional circumstances it is in the interests of all the shareholders in the Company.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of shareholders. Further information can be found in the prospectus under Suspension of dealings in the Company.

The Company also holds assets including readily realisable securities and has no significant unlisted securities. The main liability of the Company is the cancellation of shares by shareholders. This risk is minimised by holding cash and readily realisable securities.

Interest rate risk

The Company invests predominantly in investment properties but may also invest in fixed and floating rate deposits and in fixed rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise, the income potential of the Company also rises, but the value of fixed rate securities will decline. A decline in interest rates will generally have the opposite effect. If interest rates change, there will be no material impact on the portfolio.

Other risk

The Company is currently invested in 26 properties (2022: 26); as such there exists a concentration of risk due to the lack of diversification. As more properties are purchased and different types of tenants occupy the properties the risk is expected to diminish. The ACD meets regularly to monitor the asset allocation of the portfolio in order to minimise the concentration risk associated with holding a portfolio of properties.

Use of derivatives

The Company may enter into derivatives transactions for investment purposes to maximise the return on non-property investments in the Company as well as for efficient portfolio management. No derivatives are currently held.

Currency exposure

The Company’s financial assets and liabilities are all denominated in sterling. As a result, the Company has no exposure to Currency movements.

15. Financial instruments (continued)

Interest rate risk profile of financial assets and liabilities

Currency	Investment properties £'000	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial liabilities not carrying interest £'000	Total £'000
28/02/23					
Sterling	198,441	37,086	–	4,191	239,718
Total	198,441	37,086	–	4,191	239,718
28/02/22					
Sterling	236,221	49,861	–	12,417	298,499
Total	236,221	49,861	–	12,417	298,499

The Company's net cash holding of £37,086,410 (28/02/22: holding £49,861,317) is held in a floating rate deposit account. Interest is earned by reference to Overnight Benchmark rates for the following currencies: GBP (SONIA), USD (EFFR), EUR (€STR), CHF (SARON), and JPY (TONAR). For all other currencies interest is earned by reference to their international benchmark equivalents.

Maturity of financial liabilities

The financial liabilities of the Company as at 28 February 2023 are payable either within one year or on demand, as were the financial liabilities of the previous year ended 28 February 2022.

Fair values of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value.

Fair value of investment properties

There is no material difference between the value of the investment properties, as shown in the balance sheet and their fair value.

16. Fair value

For financial instruments held at fair value in the balance sheet, the Fund is required to disclose for each class of financial instrument, an analysis of the level in the fair value hierarchy (as set out in FRS 102 paragraph 11.27) into which the fair value measurements are categorised. The three levels of the fair value hierarchy under FRS 102 are as follows:

Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

	28/02/23 £'000	28/02/22 £'000
Level 1	–	–
Level 2	–	–
Level 3	–	–
Total fair value	–	–
Investment properties	**198,441**	236,221
Total investments	**198,441**	236,221

17. Investment properties

	28/02/23 £'000	28/02/22 £'000
Opening balance	**236,221**	255,024
Capital expenditure	**1,477**	1,037
Disposals	**–**	(60,965)
Net (losses)/gains from fair value adjustments	**(39,198)**	41,130
Other charges	**(59)**	(5)
Closing balance	**198,441**	236,221

18. Non Adjusting Post Balance Sheet Event

Post year end the Fund disposed of 2 properties. Hatfield, Royal Mail, Hatfield Business Park was sold for £21.6m and Buxton, B&Q unit, Staden Lane was sold for £4.3m.

19. Operating leases

The Sub-fund leases out its investment property under operating leases. At 28 February the future minimum lease receipts under non-cancellable leases are as follows:

	28/02/23 £'000	28/02/22 £'000
Less than one year	**10,555**	10,786
Between one and five years	**31,530**	34,422
Over five years	**29,863**	32,628
Total operating leases	**71,948**	77,836

Distribution Tables

For the year ended 28 February 2023

Distribution in pence per share

Group 1: Interim shares purchased prior to 1 March 2022.
Final shares purchased prior to 1 September 2022.

Group 2: Interim shares purchased from 1 March 2022 to 31 August 2022.
Final shares purchased from 1 September 2022 to 28 February 2023.

Share Class 1 – Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 30/04/2023	Distributions paid to 30/04/2022
Group 1	(p)	(p)	(p)	(p)
Interim	1.2587	–	1.2587	1.6314
Final	1.8268	–	1.8268	2.2958
Group 2	(p)	(p)	(p)	(p)
Interim	0.5687	0.6900	1.2587	1.6314
Final	1.5558	0.2710	1.8268	2.2958

Share Class 1 – Income

	Net revenue	Equalisation	Distributions paid/payable to 30/04/2023	Distributions paid to 30/04/2022
Group 1	(p)	(p)	(p)	(p)
Interim	0.9499	–	0.9499	1.2522
Final	1.3677	–	1.3677	1.8222
Group 2	(p)	(p)	(p)	(p)
Interim	0.3586	0.5913	0.9499	1.2522
Final	0.5798	0.7879	1.3677	1.8222

Share Class 2 – Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 30/04/2023	Distributions paid to 30/04/2022
Group 1	(p)	(p)	(p)	(p)
Interim	0.9281	–	0.9281	1.0797
Final	1.2090	–	1.2090	1.5035
Group 2	(p)	(p)	(p)	(p)
Interim	0.5480	0.3801	0.9281	1.0797
Final	0.8036	0.4054	1.2090	1.5035

Share Class 2 – Income

	Net revenue	Equalisation	Distributions paid/payable to 30/04/2023	Distributions paid to 30/04/2022
Group 1	(p)	(p)	(p)	(p)
Interim	1.3046	–	1.3046	1.5706
Final	1.6799	–	1.6799	2.1507
Group 2	(p)	(p)	(p)	(p)
Interim	0.6131	0.6915	1.3046	1.5706
Final	0.8420	0.8379	1.6799	2.1507

Share Class F – Accumulation*

	Net revenue	Equalisation	Distributions paid/payable to 30/04/2023	Distributions paid to 30/04/2022
Group 1	(p)	(p)	(p)	(p)
Interim	0.9348	–	0.9348	1.1932
Final	1.2270	–	1.2270	1.4361
Group 2	(p)	(p)	(p)	(p)
Interim	0.9348	–	0.9348	1.1932
Final	1.2270	–	1.2270	1.4361

* Class F shares have been designated specifically for investment by the CT UK Commercial Property Feeder Fund only.

CT UK Commercial Property Fund ICVC

Annual Report and Audited Financial Statements 2023

To find out more visit **columbiathreadneedle.com**