Interim Report and Financial Statements

CT UK Commercial Property Fund ICVC

For the period ended:
31 August 2023

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.

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Company Information
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Authorised Corporate Director
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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)

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Independent Auditors
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Property Advisor and Property Manager
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Fund Accounting and Unit pricing
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Company Information

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.

Financial statements
These financial statements are for the period 1 March 2023 to 31 August 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 31 August 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 31 August 2023.

There have been no changes to the Risk Management systems during the period. 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 six months period.

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.

Taskforce for Climate-related Disclosures (TCFD)
TCFD information for the funds covered by this Report has been made available on the relevant Fund Details or Document Library pages of our website and can be found at www.columbiathreadneedle.com.

Report on Remuneration
This section of the interim 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 nonexecutive 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 preagreed 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 multiyear 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.

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 interim financial statements and was approved for publication on 27 October 2023.

Director

On behalf of Columbia Threadneedle Fund Management Limited
Authorised Corporate Director

27 October 2023.

Authorised Corporate Director's Investment Report

For the six month period ended 31 August 2023 (unaudited)

Company manager **Guy Glover & Emma Gullifer**	
Company size **£219.5 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.

Property Market Overview

All-property total returns were 1.5% for the 6 months to August 2023, according to the MSCI UK Monthly Index. Positive returns were primarily supported by stronger performance from industrial and logistics and retail warehousing assets, while poorer sentiment impact values in the offices sector acted as a drag on overall returns.

Increased cost of debt has been impacting values, particularly in sectors with a greater perceived lending risk such as offices. Finance rates however dropped back in July, partially reversing the sustained trend higher, reflecting inflation and interest rate expectations. Spreads remain significantly below long run averages (20-year average c4.1%), which is placing increasing forward-looking pressure on leverage.

The positive performance from all-property was primarily driven by industrial assets and retail warehousing, which delivered 4.5% and 4.7% total return respectively over the period. The occupational market in industrial and logistics remains robust, with positive rental growth still coming through, albeit at more muted levels than in the previous couple of years. Retail warehousing continues to offer resilience, supported by robust occupational demand, rebased rents and a healthy income return, while high street retail and shopping centres remain more challenged. Office assets delivered the weakest performance at -5.7% as values have been impacted by poor investor sentiment and a reflection of the uncertainty over future office occupational trends and capital expenditure requirements in the sector. The all-property annual income return was 2.7% in the six months to August 2023.

The Company is positioned to provide long-term and core-style income with some growth potential and the performance of the properties is not aiming to replicate the MSCI index numbers mentioned above. Furthermore, the cash levels, which are held above target levels to reflect the ongoing economic uncertainty, will affect company performance.

Fund Property Report

CT UK Commercial Property Fund ICVC – Key Highlights

CT UK Commercial Property Fund ICVC – Key highlights

Total Property Income Return

2.6%
total property income return

Total Property Return

5.7%
(standing property portfolio)

Fund Growth

-£20.3m
over the past 6 months on a like-for-like basis

Total Fund Return

4.3%
total fund return

Unexpired Lease Length

6.8 years
unexpired lease length of portfolio

Rental Growth

£309,387
rental growth captured

Total Fund Income Return

£280 (2.8%)
for every £10,000 invested

Current Void Level

6.7%[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 5.7% over the 6 months to August 2023.

The property portfolio has delivered an ungeared total return of 6.4% per cent per annum on a three-year annualised basis, and 4.1% on a five-year annualised basis.

At 31st August 2023 the value of the property portfolio was £184,000,000, below the value of the portfolio in February 2023 when the value of the portfolio stood at £201,700,000. However, the decline in value reflects the sale of two assets over the period, Royal Mail, Hatfield and B&Q, Buxton. On a like-for-like basis the value of the property portfolio has increased from £178,250,000 in February 2023 thanks to a recovery in values across the Fund's industrial and logistics assets.

The Manager has sold two assets to take advantage of favourable bids ahead of valuations and to increase the liquidity holdings of the Fund.

Details of the assets sold over the past 6 months are indicated in the table below.

Property	Prop type	Completion Date	Sale Price
Royal Mail, Hatfield	Industrial	23rd May 2023	£21.6m
B&Q, Buxton	Retail Warehouse	3rd May 2023	£4.27m

The Manager has been focused on driving performance from the existing portfolio with rent reviews, re-gears and lease renewals. Following a comprehensive refurbishment, achieving an EPC A+, the Fund's asset in Trafford Park, Manchester was let on a new 15-year lease at a rent 50% ahead of the previous rent passing, while a new 15-year lease was also secured at the Fund's asset in Newcastle-under-Lyme at a rent 38% ahead of the previous rent passing. An agreement for lease has been signed subject to change-of-use planning at the Fund's asset in Richmond to convert the asset from an office to a boutique pub.

At the sector level, the portfolio's Industrial assets delivered the most resilient performance, producing total returns of 15.0% from the Rest of UK industrials and 7.8% from South East industrials over the 6 months to August. The Fund's office assets, now representing 11.7% of the portfolio, delivered the weakest performance at -5.0% as asset pricing reflected the ongoing uncertainty over future occupational trends and capital expenditure requirements facing this sector.

All of the best performing assets were in the Industrial sector. Industrial and logistics assets saw a recovery in values over the period following some outward yield movement in Q4 2022 as a result of rising debt costs. The performance of the Fund's industrial assets was boosted further by the completion of asset management initiatives such as new lettings at Newcastle-under-Lyme and Manchester, and rent reviews being settled or negotiated at Avonmouth, Birmingham and Leeds.

The top 5 performing assets were as follows:-

Address	Sector	Occupier	Total Return
Newcastle-Under-Lyme, Lymedale Business Park	Industrial	Robust UK Limited	26.8%
Birmingham, Apollo	Industrial	Salts Healthcare	16.5%
Leeds, Old Run Road	Industrial	Symingtons	16.3%
Avonmouth, Unit D Poplar Park	Industrial	Elemis Ltd	14.7%
Manchester, Empire Court, Trafford Park	Industrial	Ferraris Piston Service Ltd	12.4%

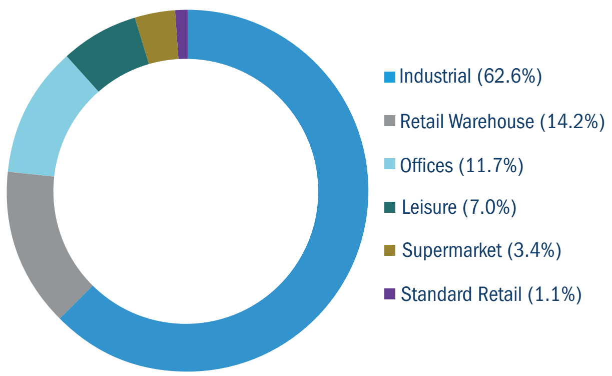
As importantly, the poorer returning assets are as follows:-

Address	Sector	Occupier	Total Return
Bury St Edmunds, Premier Inn	Hotel	Premier Inn Limited	-0.3%
Bournemouth, Ringwood Road Retail Park	Retail Warehouse	Various	-0.3%
High Wycombe, A2 Glory Park	Office	Vacant	-4.0%
Romford, Matalan	Retail Warehouse	Matalan	-6.9%
Bath, Cambridge House	Office	Various	-12.0%

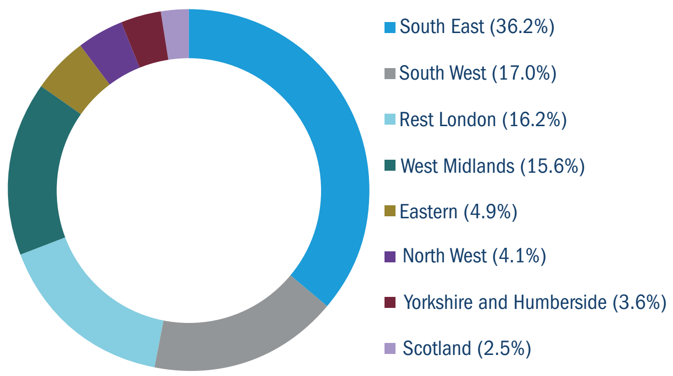
The portfolio's poorest performing assets are mostly in the retail warehouse and office sectors. While generally the Retail Warehouse sector remains resilient, the Fund's assets in Bournemouth and Romford and undergoing some asset management that requires capital expenditure, hence the impact on performance in the short term while these initiatives complete. The Fund's office assets at High Wycombe and Bath have been impacted by negative sentiment towards the Office sector, particularly as these assets have some vacancy and require future capital expenditure to achieve required environmental standards. Since the period end, the Fund's office asset in Bath has been sold and the asset in High Wycombe is on the market for sale.

The current sector and geographical analysis as at 31st August 2023 is indicated below.

Sector Analysis



Geographical Analysis



Source: Columbia Threadneedle Real Estate Partners

NB Following the sale of Cambridge House, Bath after the period end the Fund's weighting to the Offices sector has reduced to 3.5%.

The portfolio benefits from a relatively low void rate of 6.7% and weighted unexpired lease term of around 6.8 years, secured primarily to low risk corporate tenants are all good defensive characteristics, and leave the portfolio well placed to deliver on the Company's objective. The portfolio offers a relatively high exposure to industrial and logistics property at around 63% of total property assets, and to the wider South/South East (69% per cent of assets by value), sectors and geographies supported by continued strong tenant demand, and constrained supply-side dynamics.

ESG Update

The principles of Responsible Property Investment (RPI), through which environmental, social and governance (ESG) factors are integrated into investment processes and asset ownership activities, have continued to gain significant traction and momentum in the UK property market. The Company has further advanced the implementation of its RPI strategy, materialised by positive asset-level interventions and occupier engagement. Notably, the Fund published its ambition to achieve net zero carbon on its investment properties by 2030. This year, the Company enhanced its efforts to achieve net zero carbon by identifying implementation measures at asset level, reaffirming its commitment to reaching net zero by 2030. To that end, during the present interim, the Fund maximised ESG credentials as part of a refurbishment at Unit 4 of Bournemouth, Ringwood Road Retail Park, described below.

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

- The Fund submitted to the 2023 GRESB real estate survey in July. The final score will be released on October 1st, 2023.
- 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. During the interim, the Fund carried out refurbishment works at the then vacant unit 4 of Bournemouth, Ringwood Road Retail Park. The works included energy efficiency improvements, such as installation of LED lighting and solar photovoltaic panels (74 kWp). Further measures to future-proof the asset in terms of climate change mitigation, included removal of the natural gas infrastructure at the unit. As a result, the EPC rating of the unit, which is currently a D, is expected to elevate to at least a B rating. As mentioned above, these works are part of our ambition to reach Net-Zero by 2030.

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.

Cash Management

We continue to value transparency and stability over a marginally increased yield on the management of liquidity on the fund, and therefore continue to place our cash reserves on deposit with several banks.

Outlook

Economic Outlook

2023 began under the threat of the economy slipping into a moderate recession as high inflation and rising interest rates put positive economic growth under pressure. These factors continue to stymie growth but so far, a recession has been avoided. The macroeconomic environment is, and will most likely remain, challenging for real estate for some time given the high cost of debt and further anticipated falls in capital values in some sectors, although more moderate in H1 2023 than in the second half of 2022. The MSCI quarterly index reports a -1.8% all-property capital value decline over the six months to June 2023 compared to a -17.5% drop over the second half of 2022.

Following a turbulent 2022, the first half of 2023 saw relatively more stability. The UK economy is expected to expand by 0.4% in 2023, struggling to gain more momentum given the current sticky inflation and the lagged impact of tighter monetary policy. The Monetary Policy Committee (MPC) remains concerned about the strength of wage growth, but a recent softening in activity and evidence of looser labour market conditions have weakened the case for further rate hikes. This is evidenced by the Bank of England narrowly holding the rate at 5.25% at its September meeting, breaking the run of 14 consecutive hikes. However, the Monetary Policy Committee continues to emphasise that once the cycle has reached its peak, rates will remain high for a prolonged period with the bank rate is expected to stay at 5.25% until at least autumn 2024.

Inflation dropped to an 18-month low of 6.7% in August, significantly down from the double digit high of October 2022 with the fall in energy prices has been the main driver of the slowdown in inflation. Further falls are expected but progress will be slow given the stickiness of core inflation (which excludes food and energy). Household spending power will remain under pressure given persistently high inflation combined with rising debt servicing costs, particularly now that government support to help households pay energy bills has ended. While households accumulated a large stock of excess savings during the pandemic, so far, they have been reluctant to cushion the blow of falling real incomes by dipping into those savings and this is unlikely to change. And the drag from tighter monetary policy is evident in the retail sector with retail sales volumes rising 0.4% m/m in August, but only made up a fraction of the lost ground from July's 1.1% drop in sales.

Property Outlook

Overall investment volumes in H1 2023 were down 27.0% against H2 2022 as the cost of debt and the uncertainty over pricing continued to deter buyers and sellers. Interest rates and the high cost of debt have fed into the capital value declines seen over the course of the last six months, but at a slower pace than the falls seen over the last six months of 2022. The cost of debt has added a further layer of caution to lender underwriting, creating challenges for any borrowers needing to refinance. Some existing lenders with exposure to real estate are still lending against the asset class but on a more selective basis and at generally lower loan-to-value ratios.

The second half of 2022 was marked by a period of illiquidity and pricing discovery amidst a rapid repricing of the UK commercial real estate market, which saw equivalent yields at the all-property level move out by 116 basis points over six months. While pricing continued to adjust over the first half of 2023 it was at a much slower rate with the all-property equivalent yield moving out by 18 basis points. Prices should begin to stabilise towards the end of 2023, but this will not be uniform across sectors, and is very closely linked to the trajectory of interest rates and subject to no further macroeconomic or geopolitical surprises. A slow pick-up in investment volumes is expected but given the subdued first six months the annual trading volume will be some way off the long-run average. The wait-and-see stance adopted by some investors will be maintained while others will be in a position where they need to release capital, possibly to satisfy redemptions.

The recovery, when it comes, will be uneven in terms of investor focus and appetite for sectors and geographies. Logistics and the operational areas of the living sector will be of interest as well as parts of the retail sector such as retail warehousing. Whatever the outcome, the overarching trend will be for a widening gap between good quality stock either ESG credential ready or the ability to upcycle stock and enhance ESG metrics, versus secondary quality assets and secondary locations that will continue to struggle, with some stock challenged with obsolesce.

There is a clear focus on asset management initiatives and income returns, rather than capital growth, will be the key driver of commercial real estate returns over at least the remainder of the year and probably into the early part of 2024. Over the year, the MSCI Index reported an income return of 4.5%. Whilst the occupier market has been somewhat surprisingly resilient, given the continued squeeze on corporate margins, the financial health of occupiers is paramount to protect real estate income streams. Real estate sectors will differ in performance in relation to the wider market environment with areas seeing positive rental growth, most notably the logistics sector along with retail warehouses.

Schedule of Occupiers

Direct Property	Occupiers
Milton Keynes, Deltic Avenue, Bradwell Common	Ingram Content Group UK Ltd
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
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	Ferraris Piston Service Limited
Newcastle-Under-Lyme, Lymedale Business Park	Robust UK Limited
Portsmouth, Unit 1&2, Access Point, Northarbour	Formaplex Technologies Limited
	Peta Limited
Seer Green, Chalfont Road, Buckinghamshire	PerkinElmer AES (UK) Limited
Stafford, Tollgate Business Park	The Moot Group Ltd
Aberdeen, Siemens Unit, Raith's Industrial Estate	Siemens plc
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 31 August 2023

	Sector	Market value £'000	Total net assets %
INVESTMENT PROPERTIES (82.78%*)#		**180,559**	**82.24**
PROPERTIES VALUED BETWEEN £15M AND £20M (8.13%*)		**15,620**	**7.11**
Milton Keynes, Deltic Avenue, Bradwell Common	Industrial		
PROPERTIES VALUED BETWEEN £10M AND £15M (41.14%*)		**84,246**	**38.38**
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		
Romford, North Street	Retail Warehousing		
Staines-Upon-Thames, Apex 30, London Road	Industrial		
PROPERTIES VALUED BETWEEN £5M AND £10M (23.61%*)		**61,132**	**27.84**
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, Unit1&2, Access Point, Northarbour	Industrial		
Seer Green, Chalfont Road, Buckinghamshire	Offices		
Stafford, Tollgate Business Park	Industrial		
PROPERTIES VALUED BETWEEN £0M AND £5M (9.90%*)		**19,561**	**8.91**
Aberdeen, Siemens Unit, Raith's Industrial Estate	Industrial		
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		**180,559**	**82.24**
Net other assets		**38,980**	**17.76**
Total net assets		**219,539**	**100.00**

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

* Comparative figures shown in brackets relate to 28 February 2023.

\# Land and buildings.

Portfolio Movements
For the period ended 31 August 2023 (unaudited)

Total sales	Proceeds £'000
Hatfield, Royal Mail, Hatfield Business Park	21,412
Buxton, B&Q Unit, Staden Lane	4,201

Comparative Tables
As at 31 August 2023 (unaudited)

Share Class 1 – Accumulation	Interim 31/08/23	Final 28/02/23	Final 28/02/22
Closing net asset value per share (p)	**141.96**	136.49	154.00
Closing net asset value (£'000)	**277**	350	1,320
Closing number of shares	**195,445**	256,152	857,284
Operating charges	**1.58%**[††]	1.56%	1.55%
Property expenses	**0.80%**[††]	0.20%	0.30%

Share Class 1 – Income	Interim 31/08/23	Final 28/02/23	Final 28/02/22
Closing net asset value per share (p)	**103.24**	100.34	115.74
Closing net asset value (£'000)	**57**	77	84
Closing number of shares	**55,582**	76,451	72,444
Operating charges	**1.58%**[††]	1.55%	1.55%
Property expenses	**0.80%**[††]	0.20%	0.30%

Share Class 2 – Accumulation	Interim 31/08/23	Final 28/02/23	Final 28/02/22
Closing net asset value per share (p)	**76.12**	72.98	81.87
Closing net asset value (£'000)	**26,428**	28,013	40,167
Closing number of shares	**34,717,265**	38,386,056	49,062,581
Operating charges	**0.83%**[††]	0.80%	0.80%
Property expenses	**0.80%**[††]	0.20%	0.30%

Share Class 2 – Income	Interim 31/08/23	Final 28/02/23	Final 28/02/22
Closing net asset value per share (p)	**102.42**	99.74	115.06
Closing net asset value (£'000)	**21,312**	22,116	42,773
Closing number of shares	**20,809,522**	22,173,256	37,175,935
Operating charges	**0.83%**[††]	0.80%	0.81%
Property expenses	**0.80%**[††]	0.20%	0.30%

Share Class F – Accumulation[^]	Interim 31/08/23	Final 28/02/23	Final 28/02/22
Closing net asset value per share (p)	**62.80**	60.01	66.89
Closing net asset value (£'000)	**171,465**	189,162	214,155
Closing number of shares	**273,053,569**	315,221,139	320,148,551
Operating charges	**0.08%**[††]	0.05%	0.05%
Property expenses	**0.80%**[††]	0.20%	0.30%

[††] The returns quoted are for a six month period and have been annualised against the average net asset value of the share class.
[^] 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 period ended 31 August 2023 (unaudited)

	01/03/23 to 31/08/23		01/03/22 to 31/08/22	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		**5,959**		(2,057)
Revenue	**6,277**		5,995	
Expenses	**(1,220)**		(1,000)	
Net revenue before taxation	**5,057**		4,995	
Taxation	**–**		–	
Net revenue after taxation		**5,057**		4,995
Total return before distributions		**11,016**		2,938
Distributions		**(5,058)**		(4,993)
Change in net assets attributable to shareholders		**5,958**		(2,055)

Statement of Change in Net Assets Attributable to Shareholders

For the period ended 31 August 2023 (unaudited)

	01/03/23 to 31/08/23		01/03/22 to 31/08/22	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		**239,718**		298,499
Amounts receivable on creation of shares	**2,898**		37,593	
Amounts payable on cancellation of shares	**(33,293)**		(22,556)	
		(30,395)		15,037
Dilution adjustment		**363**		(173)
Change in net assets attributable to shareholders		**5,958**		(2,055)
Retained distribution on accumulation shares		**3,895**		3,694
Closing net assets attributable to shareholders		**219,539**		315,002

Comparative information is provided for the Statement of Change in Net Assets Attributable to Shareholders. Since this information is for the prior interim period, the net assets at the end of that period do not correspond to the net assets at the start of the current period.

Balance Sheet

As at 31 August 2023 (unaudited)

	31/08/23 £'000	28/02/23 £'000
Assets		
Fixed assets		
Investment properties	**180,559**	198,441
Current assets		
Debtors	**9,783**	8,340
Cash and bank balances	**34,864**	37,086
Total assets	**225,206**	243,867
Liabilities		
Distribution payable	**(1,146)**	(1,071)
Other creditors	**(4,521)**	(3,078)
Total liabilities	**(5,667)**	(4,149)
Net assets attributable to shareholders	**219,539**	239,718

Cash Flow Statement

For the period ended 31 August 2023 (unaudited)

	01/03/23 to 31/08/23 £'000	01/03/22 to 31/08/22 £'000
Operating activities		
Net revenue after taxation	**5,057**	4,995
Interest received	**(837)**	(313)
Movement in debtors	**(1,531)**	6,954
Movement in creditors	**189**	(234)
Cash from operations	**2,878**	11,402
Income distributions paid	**(1,036)**	(2,071)
Net cash from operating activities	**1,842**	9,331
Cash flows from investing activities		
Disposal of investment properties	**23,841**	(111)
Interest received	**837**	313
Net cash from investing activities	**24,678**	202
Cash flow from financing activities		
Issue of accumulation and income shares	**3,005**	38,408
Redemption of accumulation and income shares	**(32,110)**	(22,928)
Dilution adjustment	**363**	(173)
Net cash (used in)/from financing activities	**(28,742)**	15,307
Net (decrease)/increase in cash	**(2,222)**	24,840
Balance brought forward	**37,086**	49,861
Balance carried forward	**34,864**	74,701
Movement in cash during the period	**(2,222)**	24,840

Notes to the Financial Statements
As at 31 August 2023 (unaudited)

1. Accounting policies

The interim financial statements for the Fund have been prepared on the same basis as the audited financial statements for the year ended 28 February 2023. They are in accordance with the historical cost basis, as modified by the revaluation of investments, and the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by the Investment Management Association (IMA) in May 2014 (the IMA SORP 2014), and United Kingdom Generally Accepted Accounting Practice.

CT UK Commercial Property Fund ICVC

Interim Report and Financial Statements 2023

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