TR Property Investment Trust plc

Report & Accounts for the year ended 31 March 2021

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WWW.TRPROPERTY.COM

TR Property Investment Trust plc

The investment objective of TR Property Investment Trust plc is to maximise shareholders' total returns by investing in the shares and securities of property companies and property related businesses internationally and also in investment property located in the UK.

INTRODUCTION

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

BENCHMARK

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

INVESTMENT POLICY

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

Further details of the Investment Policies, the Asset Allocation Guidelines and policies regarding the use of gearing are set out in the Strategic Report on page 25 and the entire portfolio is shown on page 18.

INVESTMENT MANAGER

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

INDEPENDENT BOARD

The Directors are all independent of the Manager and meet regularly to consider investment strategy, to monitor adherence to the stated objective and investment policies and to review performance. Details of how the Board operates and fulfils its responsibilities are set out in the Report of the Directors on page 41.

PERFORMANCE

The Financial Highlights for the current year are set out opposite and Historical Performance can be found on page 3. Key Performance Indicators are set out in the Strategic Report on pages 26 and 27.

RETAIL INVESTORS ADVISED BY IFAS

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

FURTHER INFORMATION

General shareholder information and details of how to invest in TR Property Investment Trust plc, including an investment through an ISA or saving scheme, can be found on pages 111 and 112. This information can also be found on the Trust's website www.trproperty.com

Financial Highlights and Performance

	Year ended 31 March 2021	Year ended 31 March 2020	Change
Balance Sheet			
Net asset value per share	**417.97p**	358.11p	+16.7%
Shareholders' funds (£'000)	**1,326,433**	1,136,453	+16.7%
Shares in issue at the end of the year (m)	**317.4**	317.4	+0.0%
Net debt[1,6]	**16.5%**	7.6%	
Share Price			
Share price	**392.50p**	317.50p	+23.6%
Market capitalisation	**£1,246m**	£1,008m	+23.6%

	Year ended 31 March 2021	Year ended 31 March 2020	Change
Revenue			
Revenue earnings per share	**12.25p**	14.62p	-16.2%
Dividends[2]			
Interim dividend per share	**5.20p**	5.20p	+0.0%
Final dividend per share	**9.00p**	8.80p	+2.3%
Total dividend per share	**14.20p**	14.00p	+1.4%
Performance: Assets and Benchmark			
Net Asset Value total return[3,6]	**+20.7%**	-11.5%	
Benchmark total return[6]	**+15.9%**	-14.0%	
Share price total return[4,6]	**+28.3%**	-16.8%	
Ongoing Charges[5,6]			
Including performance fee	**+1.40%**	+0.80%	
Excluding performance fee	**+0.65%**	+0.61%	
Excluding performance fee and direct property costs	**+0.63%**	+0.59%	

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

2 Dividends per share are the dividends in respect of the financial year ended 31 March 2021 An interim dividend of 5 20p was paid in January 2021 A final dividend of 9 00p (2020· 8 80p) will be paid on 4 August 2021 to shareholders on the register on 18 June 2021.

The shares will be quoted ex-dividend on 17 June 2021.

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

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

5. Ongoing Charges are calculated in accordance with the AIC methodology The Ongoing Charges ratios provided in the Company's Key Information Document are calculated in line with the PRIIPs regulation which is different to the AIC methodology

6. Considered to be an Alternative Performance Measure as defined on page 98

Historical Performance

For the years ended 31 March

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	**2021**
Performance for the year:											
Total Return (%)											
NAV[A]	15.4	-8.5	21.5	22.4	28.3	8.2	8.0	15.5	9.1	-11.5	**20.7**
Benchmark[B]	15.2	-8.9	17.8	14.9	23.3	5.4	6.5	10.2	5.6	-14.0	**15.9**
Share Price[C]	12.6	-9.5	25.8	37.7	29.5	-1.6	9.1	25.5	6.2	-16.8	**28.3**
Shareholders' funds (£'m)											
Total	670	588	684	809	1,010	1,065	1,118	1,256	1,328	1,136	**1,326**
Ordinary shares	531	470	684	809	1,010	1,065	1,118	1,256	1,328	1,136	**1,326**
Sigma shares[D]	139	118	-	-	-	-	-	-	-	-	**-**
Ordinary shares											
Net revenue (pence per share)											
Earnings	6.94	7.07	6.74	8.09	8.89	8.36	11.38	13.22	14.58	14.62	**12.25**
Dividends[E]	6.00	6.60	7.00	7.45	7.70	8.35	10.50	12.20	13.50	14.00	**14.20**
NAV per share (pence)	207.10	183.60	215.25	254.94	318.12	335.56	352.42	395.64	418.54	358.11	**417.97**
Share price (pence)	177.10	154.50	186.30	247.50	310.50	297.50	314.50	382.50	394.00	317.50	**392.50**
Indices of growth											
Share price[F]	100	87	105	140	175	168	178	216	222	179	**222**
Net Asset Value[G]	100	89	104	123	154	162	170	191	202	173	**202**
Dividend Net[E]	100	110	117	124	128	139	175	203	225	233	**237**
RPI	100	104	107	110	111	112	116	120	123	126	**128**
Benchmark[H]	100	87	99	105	126	130	134	144	147	123	**140**

Figures have been prepared in accordance with IFRS.

(A) The NAV Total Return for each year is calculated by reinvesting the dividends in the assets of the Company from the relevant ex-dividend date. Dividends are deemed to be reinvested at the ex-dividend date as this is the protocol used by the Company's benchmark and other indices This is considered to be an Alternative Performance Measure as defined on page 98

(B) Benchmark Index: composite index comprising the FTSE EPRA/NAREIT Developed Europe TR Index up to March 2013, and thereafter the FTSE EPRA/NAREIT Developed Europe Capped Index. Source. Thames River Capital.

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

(D) The Sigma share class was launched in 2007 and Sigma shares were redesignated as Ordinary shares on 17 December 2012.

(E) Dividends per share in the year to which their declaration relates and not the year they were paid.

(F) Share prices only. These do not reflect dividends paid.

(G) Capital only values. These do not reflect dividends paid.

(H) Price only value of the indices set out in (B) above.

Chairman's Statement

David Watson
Chairman

Whilst underlying earnings were initially impacted by the pandemic, the message from the vast majority of our invested companies, which largely excludes owners of retail property, has been a considered and strong resumption in dividends.

INTRODUCTION

The start of this reporting period was very close to the recent COVID-19 influenced nadir of global equity markets in March 2020. Since then equity markets have been determinedly focused on the future rather than reflecting on the more immediate economic data and human tragedy of the pandemic. As a result, I'm able to report healthy returns for the year with a net asset value ("NAV") total return of 20.7%, well ahead of the benchmark total return of 15.9%. The share price total return was even stronger at 28.3% as the discount narrowed over the year.

Stock markets have taken great comfort from the huge amount of central bank stimulus and state aid for both corporates and individuals. Since November 2020, this sense of support has been augmented by optimism following the announcements and subsequent rollout of a range of vaccine programmes.

The crisis has forced a dramatic change in the way we work, consume and relax. Over the last year our management team has pondered not only the pace of these changes across a wide range of property sectors but also their sustainability once the world reverts to "the new normal".

Over the last quarter of the financial year under review and into the start of the new one, we have seen very dramatic share price movements as investors rotated from companies offering the safety of secure income towards those offering greater risk, particularly where the companies were trading at large discounts to their asset value. Your manager's report will examine in more detail how the portfolio structure has evolved through these thematic rotations.

REVENUE RESULTS AND DIVIDEND

Earnings for the year were 12.25p per share, 16% lower than the prior year earnings of 14.62p.

The headline earnings per share figure is slightly deceptive, earnings before tax were 24% lower than the previous year, but a significant tax refund and some further prior period withholding tax recoveries reduced the revenue tax charge from an effective rate of 11.3% in 2020 to just 1.9% for the financial year to March 2021. Further details of this are set out in the Manager's Report.

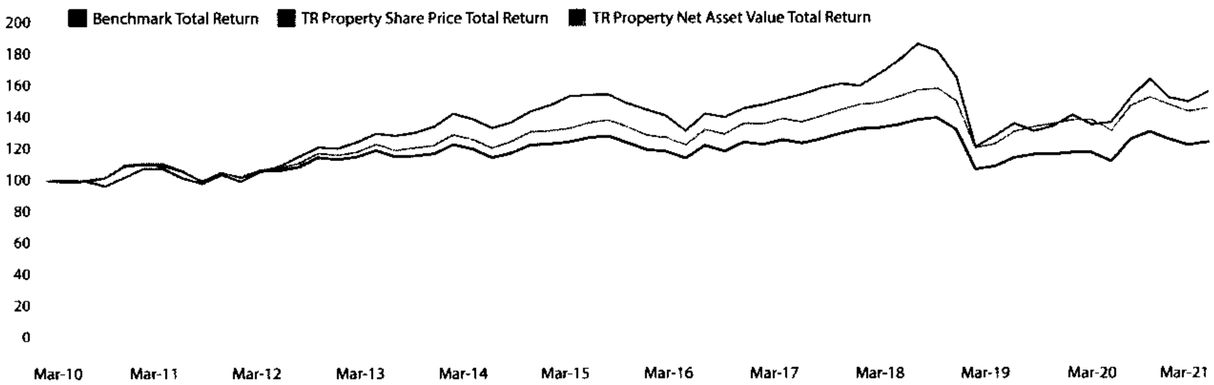
The Board has announced a final dividend of 9.00p per share, bringing the full year dividend to 14.20p per share (2020: 14.00p) an overall increase of 1.4% on the prior year dividend. The Board is conscious of the income aspirations of some of our investor base and, although this dividend is not fully covered, the Company has significant revenue reserves available. As long as the Board has a reasonable expectation of income returning to previous levels in the medium term, the Board is happy to maintain a modest level of dividend progression.

REVENUE OUTLOOK

Within our portfolio, the manager anticipates income for the year to March 2022 to be split into three broadly equal parts with one third suffering a reduction and in some cases significant cuts or even suspensions, a third with income returning to pre-pandemic levels, and the balance offering some level of increase. We do not expect total income levels to return to pre-COVID-19 levels within the current financial year although we do expect an improvement relative to 2020/21.

After allowing for the proposed dividend, revenue reserves will still amount to 12.18p per share giving plenty of capacity for the board to supplement the dividend again in 2021/22, providing a return to pre-Covid levels can reasonably be anticipated in the medium term.

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



NET DEBT AND CURRENCIES

Gearing at the end of the year stood at 16.5% having started the year at 7.6%. Gearing fluctuated considerably throughout the year, ranging between around 7.6% and 17.8% as market sentiment ebbed and flowed. This demonstrates the benefit of the flexibility of our borrowing structure, with a base level supported by our fixed longer-term debt and the majority achieved through the revolving credit facilities and exposure through contracts for difference ("CFDs").

Sterling reached a low against the Euro in September 2020 driven by fears of a no deal Brexit and remained relatively weak until January 2021. As the new year arrived and despite issues with bureaucracy for goods flowing between the UK and Europe, Brexit issues took a back seat in investors' minds as they focused on the route to normalisation across the UK and Europe as the vaccine programmes rolled out. The UK is clearly ahead of the curve in this respect and Sterling strengthened steadily towards our year end in March 2021.

Our policy is to maintain a hedged currency exposure in line with the benchmark. Sterling represents around 27% of the benchmark, therefore strengthening Sterling is a headwind to the NAV.

Income is unhedged and around 66% of our income is received in currencies other than Sterling, therefore stronger Sterling reduces our income. Slightly more income is received in the first half of the year than the second, so for the current year more was received in a period when Sterling was weaker.

DISCOUNT AND SHARE REPURCHASES

The prior year end fell only two weeks after the market lows following the announcement of the global COVID-19 pandemic and the shares started the new financial year at a discount of 11.3%. The discount then moved around between 5% and 15% as market sentiment changed through the roller coaster ride of lockdowns, easings and vaccine news. The average over the year was 10 2% but closed at 6.1%. This closing of the discount over the year meant that the share price return of 28.3% was well ahead of the NAV return.

No share buy-backs were made in the period, although the discount was wide at various points during the year. Many of our underlying stocks were also trading on wide discounts and our manager focused our capital on those opportunities.

THE BOARD

I am grateful to my Board colleagues and to the team at TR for their support and commitment this year. We have met in person whenever the law and common sense allowed and "virtually" when necessary. Though small, I believe the Board has an excellent balance and spread of skills and experience appropriate for the Trust's objectives. With two relatively new members, and a change in Chair, I have been keen to allow us all time to settle into our roles. Even so, I am conscious of the term of our SID, Simon Marrison whose independence, skills and commitment are exemplary. He brings a unique contribution with his continental property investment expertise that is highly valued by us all and that will be hard to replace. Equally we always enjoy and benefit from the introduction of a fresh and enquiring mind so we will start the process of looking for his replacement later this year to allow an orderly succession.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS ('ESG')

This year we have added more information on our responsible investment approach. For many years we have maintained a strong position in terms of voting and engagement supported by our significant stakes in a number of property companies. Our size in this specialist area of the equity market has helped ensure that our views are heard. This engagement has been augmented by the strength of BMO's Corporate Governance team and their broader engagement record. We fully intend to keep up and heighten pressure on our investee companies to enhance their standards of governance and we will be increasing our expectations on both the provision of data and on the Social and Environmental outcomes that they deliver. Any long term support for management will require companies to exhibit positive momentum across relevant measures.

AWARDS

The Trust was the winner in the Specialist Equities category of the Citywire Investment Trust Awards. This is particularly pleasing as we were in competition with Trusts specialising in a broad range of equities and alternatives.

CITYWIRE
WINNER
INVESTMENT TRUST 2020
TR PROPERTY

OUTLOOK

The pandemic has had a dramatic impact on the world and on all aspects of real estate. In some instances this was an acceleration of trends that were well underway such as the structural shift to omnichannel retailing. For others, such as increased remote working, it has been a very fast gestation period of an embryonic trend. Airport hotel occupancy and business travel will likely suffer a long-term negative shift as companies embrace not only a new generation of communication tools but also their environmental credentials. The main common feature across these examples is the difficulty in predicting the scale and permanency of this evolution. What will be 'the new normal' for these asset classes is the challenge for our management team as we look forward to the post pandemic world. What we can be sure about is that the economic backdrop is a world with hugely elevated levels of government debt, ongoing central bank / governmental stimulus packages and higher levels of domestic savings. All at a time when fixed income yields are at historically low levels and much long duration sovereign debt offers negative yields to redemption.

Real estate offers a substantial margin over fixed income with the opportunity to reflect any economic recovery through rental growth. As a real asset it also has some inflation proofing credentials. However, as the last fifteen months has reminded us, sentiment can often override fundamentals in liquid equity markets and our managers will continue to focus on the assessment of earnings sustainability and medium term growth potential.

David Watson
Chairman

3 June 2021

Manager's Report

Marcus Phayre-Mudge
Fund Manager

Capital is clearly seeking real assets. There has been several recent instances of private equity acquiring listed properties companies. This will continue if public companies are undervalued. Such market dynamics provides us with a strong valuation underpin.

PERFORMANCE

The Net Asset Value total return for the year to 31 March 2021 was 20.7%, ahead of the benchmark total return of 15.9%. At the interim stage, I reported that Continental European property companies had significantly outperformed their UK counterparts (returns of 11.3% v 2.1%). The second half saw the complete reverse. The UK's performance in the second half was so strong that the 12 month performance of 19.1% (in GBP) outperformed Continental Europe at 18.7% (in EUR).

The initial impact of the pandemic on European real estate equities saw the benchmark fall 36% from the pre-Covid peak of 19th February to the trough on 18 March 2020. Our financial year therefore started close to these depressed levels and the steady recovery since then is reflected in the healthy figures for the year under review. However it is worth noting that collectively the sector remains nearly 15% below the pre-Covid peak.

This extraordinary year has clearly been like no other and the gulf in performance of the different real estate sectors (and their respective listed companies) requires the same adjective. The year can be neatly divided into pre and post the vaccine announcement.

From March to October investors focused on owning sustainable, pandemic proof income such as residential, supermarkets and healthcare alongside logistics, warehousing and industrial where the underlying tenants' businesses had remained open and in many cases were thriving. Consumer facing sectors such as retail, restaurants, hotel and leisure were shunned. We divide our universe of pan European real estate companies into 26 bespoke groups and over the 7 months from the trough on 18th March 2020 our logistics / industrial group returned +54% , German residential +60%, healthcare +36% whilst UK retail fell 45% and European retail returned just 1%. London retail also suffered falling 26% as tourism levels (both domestic and international) collapsed.

However, from November onwards we saw a complete volte face as investors focused on the possibility of a normalising economic outlook post the vaccine breakthrough. In our world that meant buying back into the consumer facing sectors. Stocks exposed to these sectors had been standing at large discounts given the market's expectation of further asset value declines and they enjoyed significant price recovery. Stocks such as Hammerson and Shaftesbury, who had both carried out emergency capital raises (more on this later), enjoyed 100% and 85% price appreciation from their respective (pre-vaccine announcement) capital raise prices.

The Trust was defensively positioned as we entered the pandemic with overweights to European PRS (private rented sector) particularly in Germany, supermarkets (UK and Nordics), healthcare (mainly UK) and logistics / industrial across both the UK and Europe. These exposures drove much of the relative outperformance from March to November.

London exposed stocks suffered particularly as office workers have not returned (we estimate office utilisation rates at c25% versus a Continental average of over 50%) and this combined with the collapse in tourism (both domestic and international) has temporarily hollowed out our global city. Our UK office exposure was concentrated in decentralised offices through CLS and McKay whilst we avoided London retail focused names such as Capco and Shaftesbury as well as those businesses with short occupational leases such as Workspace.

As the 'relief / reopening / reflation' trade gathered momentum, I closed our underweight exposure to European shopping centres, bought back into some Central London retail and renewed our exposure to office markets particularly those cities with the shorter commute times. Essentially I was still shying away from the largest two conurbations (London and Paris) whilst adding to smaller ones such as Madrid and Dublin and maintaining exposure to decentralised office sectors in the UK, Sweden and Germany.

The pandemic has turned much 'on its head' and in our corner of the equity market it was the performance of Swiss property companies which was much weaker than history would have predicted. Traditionally a safe haven, these stocks did not initially recover from the March lows with investors focused on the problematic retail exposure of the largest listed companies. We continue to be underweight the group.

Another positive surprise has been in self-storage which reported very steady numbers through the worst of the year. Whilst our stock selection in the UK was correct (Safestore total return +27% versus Big Yellow +14%), the runaway success was Shurguard, the Continental player returning +48%, which we didn't own. In our defence, the stock enjoyed strong demand from index trackers as it entered various benchmarks midyear.

Most of 2020 was an understandably subdued period for M&A corporate activity with one particular exception, Norwegian offices. Entra (where we were a top 20 shareholder) was the subject of a bidding war between two Swedish listed players, Castellum and Samhallsbyggnadsbolaget (also known as SBB). Whilst neither successfully gained control, the share price total return was 57%, our most successful investment in the period.

The portfolio has some gearing. This was reduced in February and March 2020 but has subsequently returned to pre-pandemic levels. Why have gearing in volatile times? The Trust continues to take advantage of its closed ended structure and holds a number of illiquid small cap stocks. These well-run companies (even when exposed to outperforming subsectors) often suffer from limited investor attention, being deemed too small. As a consequence, in rising markets they often underperform their larger brethren (in market parlance their 'beta' is less than one). Adding some gearing helps compensate for these lower beta names. Our experience is that over time the underlying property fundamentals will be recognised and, if not, then the market will take them private or merge them together. Our physical property exposure also sits outside our benchmark and additional gearing ensures that we are not underexposed to equities versus our benchmark given that a proportion of capital is invested in physical property.

OFFICES

Of all the segments of the commercial real estate landscape, the future demand for offices remains the hardest to forecast. The two undeniable consequences of the pandemic, for this asset class, has been the realisation that employees of corporates of all sizes can work remotely (for long periods) if required and secondly that the next generation of 'best in class' office accommodation will be utilised very differently with tenants having new priorities. Built into these demands will be the overarching need for energy efficiency, carbon neutrality and sustainability through the life cycle of the building.

The take up figures for the last year (across the 15 major cities we monitor) offers little comparative value given the inability for businesses to physically relocate in many of these markets from March 2020. Taking London as a case in point, Savills reported that West End take up fell from 4.4m sq ft in 2019 to 1.7m in 2020. Office utilisation rates through 2020 and into 2021 have varied hugely. A broad rule of thumb was that the larger the city (and the longer the average commute time) the lower the office utilisation rate. Generally the smaller cities also had higher levels of commuting by private transport or where workers were using overground public transport. Scandinavian and Swiss cities have seen almost normalised utilisation rates whilst London and Paris remain sub 30%. Looking forward, what is important to us is the amount of new space which was scheduled to complete (construction was halted for very short periods in most markets) and whether there are signs of demand as we move into the post vaccine period.

Looking across Europe as a whole, the combined effect of reduced leasing activity and construction completions led to 100bps increase in vacancy to an average of 6.9% (BNP data). This single statistic clearly hides a wide range of levels. Unsurprisingly, London and Paris have experienced the greatest increases from 5% to nearly 8% but Dublin collects the wooden spoon with vacancy increasing to over 9%. This is a good example of a small market where a (temporary) demand strike meets a number of large completions and refurbishments. However the historically low levels of vacancy in many cities prior to the pandemic have insulated most markets, with modest downward movements in prime rents recorded across the German Big 6, Milan, Madrid, Oslo, Amsterdam and Stockholm.

The delivery of new office buildings has also been deferred, particularly for tall buildings. The New London Architecture's Annual Tall Buildings Survey recorded a 27% decline in planning applications for buildings over 20 storeys in 2020 when compared with 2019. We were surprised that the fall wasn't larger but 73% of all applications were in the latter part of the year and hints at developer confidence regarding demand for new build.

Investment demand has remained very resilient almost regardless of short-term weakness in occupational markets. The weight of capital seeking real assets is a theme which will recur through this report. The rise in the long end of the curve as the reflation theme gathers momentum is proving very damaging for fixed income structures. High quality offices – offering large lot sizes – with secure income delivering 3.5-4% net yield is attractive versus negative yielding sovereign bonds. Further up the risk curve, opportunistic capital also remains very active and listed development specialists such as Great Portland Estates and Derwent London have found it hard to deploy capital amidst fierce competition.

The 2021 CBRE EMEA Investor Intentions Survey highlights London as still the most attractive city for investment in Europe with an estimated €40-45bn of global equity looking to be deployed into the market across all types of buildings. This is the highest figure since the survey starting tracking demand in 2012. Whilst transaction volumes slowed last year, the first two months of 2021 (traditionally a quiet time) have seen volumes reach £875m greater than the same period in 2019. Part of the London attraction is that yields didn't compress during the Brexit uncertainty making the city look much cheaper than other big European cities. Post the EU-UK Trade and Cooperation Agreement we expect this gap to narrow.

RETAIL

The MSCI / IPD data for the 12 months to March 2021 saw all retail property capital values fall 12.8% with a serious acceleration in the decline of shopping centre values which fell 25.5% over the last 12 months. In the interims, I commented that we felt the valuation community were behind the times due to their requirement to look at deal evidence. Essentially, in fast moving markets the published figures will already be out of date. Stock markets know this and retail landlords across the globe have been trading at very large discounts to their (no longer valid) last published figures.

The woes of retail are well understood. The pandemic has accelerated trends which were well established. Reopening of economies will see footfall return to shopping centres but the levels of sustainable rents remain the subject of market forces. In the UK the loss of a huge number of well known brands either through bankruptcy or retreat has resulted in average vacancy levels in shopping centres reaching over 15% (MSCI data).

This means the negotiation boot remains firmly on the tenants' foot and we predict a further 15% falls in rental values. The one area where there are clear signs of price stabilisation is in retail warehousing. Open air with plenty of free parking, this type of retail asset sits well in an omni-channel environment where retailer margins are maximised through click and collect. Affordability is the eternal watchword and whilst there are some parks with very high rents (often fashion retailer led) the majority will see modest declines in rental values. Occupancy cost ratios are also not burdened by escalating service charges.

Across Europe, the picture is more nuanced. Valuers are even more conservative than their UK counterparts and capitalisation rates are yet to move materially. In some countries, retailers have been given huge amounts of government support and as a result rental delinquency is generally lower than in the UK. In addition, many shopping centres are anchored by hypermarkets (which have remained open) and not department stores (a UK/US concept no longer fit for purpose beyond a handful of tourist destinations such as Selfridges and Galeries Lafayette). There have been lower levels of retailer bankruptcy across Continental Europe and we put this down to two factors: less overrenting and the UK insolvency legislation. On this latter point, a huge number of UK retailers have taken advantage of the CVA (company voluntary administration) to force landlords (generally a large creditor) to accept corporate reconstructions which unduly damage their interests. A recent High Court ruling involving the overly indebted retailer New Look, reinforced this tenant friendly legislation.

Investors remain very circumspect towards this asset class. Income insecurity has resulted in investors requiring much higher initial yields. CBRE estimate that UK prime shopping centre yields have moved from 4.5% to 7% in the last 5 years with poorer secondary schemes in the high teens or literally unsaleable. Retail warehousing has bucked the depressing trend at least from an investor perspective. Investors are increasingly confident that they are able to measure tenant affordability and this is the key to determining pricing. In the last couple of months we have seen competitive bidding for a number of retail warehouse schemes, something not seen since 2018.

DISTRIBUTION AND INDUSTRIAL

UK industrial and logistics take up hit a record 59.7m sq ft in 2020. Whilst the pandemic suppressed demand in many other parts of the property market, it clearly stimulated logistics and business activity which utilised industrial property. Amazon again accounted for a sizeable (20%) portion of the activity and it was this XL segment (250,000 + sq ft) which was the major beneficiary of the surging online demand. The online share of retail sales rose from 19.2% in 2019 to 27.9% in 2020 hitting a new high of 36.3% in January 2021 as we returned to lockdown. This will scale back as we reopen but the boost to online scale and efficiency is here to stay. Supply has responded but has been more than matched by this demand. As a consequence, supply has fallen to 73.4m sq ft, down 6% on the year, and this tightening has occurred in every size bracket.

Rental growth continues to march on but there has been a broadening of growth rates across the regions. Greater London and the East Midlands recorded growth of over 7% whilst average rates across the country at 3.9%. Such strong rental growth, the secure income and the positive outlook has driven both domestic and international buyers to pay record prices for this sector whether it is last mile urban units, XL big boxes or terraces of well located industrial units. Prime yields are 3.5 to 4% and even short income is not deterring investors as evidenced by the sale of our Bristol distribution unit at 4.5% initial yield with 3.5 years unexpired.

The same picture of rude health is evident across Continental Europe. According to BNP, take up increased

14% across the 6 largest European economies and vacancy rates dropped to 5.5%, their lowest and all against a backdrop of a sharp contraction in GDP. Again it was a surge in e-commerce and home delivery which drove demand. Prime yields across Europe tightened 25bps in 2020, matching the UK with no signs of decompression even as the long end of the curve rises. Investment demand is truly global with US and Asian institutional capital competing with more domestic long term capital all determined to participate in this structural shift.

RESIDENTIAL

As expected the sector has remained highly resilient during the pandemic. The majority of our investments are in German and Swedish housing where rents are subject to state control. The remaining exposure is Finland and the UK where rents are open-market. The former offer greater security with rents tied to indexation whilst the latter offers more opportunity to capture market growth but with the commensurate risk if vacancy rises and market rents fall. During the crisis, the security of income and very high occupancy levels resulted in the sector retaining its popularity. German housing has experienced price rises in virtually all its sub-markets.

As explained earlier, Berlin remained the outlier as the State of Berlin imposed a 5 year rent freeze (Mietendeckel). The subsequent Constitutional Court ruling, which confirmed that rent controls are determined at the Federal, not State level, came just after the year end in mid-April. We are pleased with this outcome and the share prices of both Deutsche Wohnen (4.4% of net assets) and Phoenix Spree (2.5% of net assets) responded positively. New construction of apartments in Berlin had all but dried up as developers awaited the outcome of the appeal. Berlin remains the cheapest capital city in Western Europe in which to rent an apartment (if you can find one). The desire of a left-wing local authority to keep it that way regardless of the side effect of shutting out new migrants through the consequential collapse in the supply of new homes has been suitably rebuffed.

ALTERNATIVES

This group encompasses sectors that have thrived (supermarkets, healthcare, self-storage) in the crisis and those which have not (student accommodation, hotels). Share price performance was an amplified reflection of not only the underlying property performance but also the dramatic shift in investor sentiment. Self storage share prices have traditionally performed poorly in slowing economic conditions as the income is considered short term and volatile. However the pandemic has focused investors' minds on the emerging strength of this sector where a small group of operators (mostly listed companies) have the financial muscle to dominate the price comparison websites. Another emerging trend has been the increasing business usage of a product traditionally seen as the domain of private customers. Businesses have seen the merits of immediate, hassle free access to short or longer term storage. The supply chain disruption during the pandemic heightened the need for space as the mantra became 'a little more just in case and a little less just in time'. Our self storage group returned +46% from the low point (18th March 2020) to the end of October. However, from November 2020 to the end of March 2021 they have collectively returned just +4.1%. A classic example of a switch in sentiment as investors rotated away from the 'Covid relative winners' group into the value names which had underperformed and looked very cheap on historic metrics.

In another 'alternatives' sub-sector we experienced the complete reverse. Student accommodation businesses suffered a collapse in income and Unite (our only exposure) led the field in refunding rents which was the correct PR strategy but depleted their top line. The well documented difficulties for students through the last two academic years and the complete inability for many overseas students to enroll physically impacted investor sentiment with the sub-sector falling 46% between 19th February and 18th March 2020 and then staging a weak recovery of just +17% from then to the end of October. Whilst this performance compares poorly with self storage, since the beginning of November the sub-sector has rallied 30% as the likelihood of the reopening of tertiary education improved.

Supermarkets have continued to attract investor attention. Our exposure is through Supermarket Income REIT (UK) and Cibus (Sweden and Finland). Supermarket

STRATETIC REPORT

Income REIT raised a total of £490m in three separate transactions through the year and now has a market cap of over £900m. Cibus also raised capital (SEK 900m) in two tranches to make further acquisitions. The larger supermarket operators have been able to attract customers through their online network which the hard discounters (Lidl, Aldi) are not able to offer. Volumes and margins will normalise post the pandemic but these operators have had the opportunity to prove the resilience of their omni-channel model which utilises last mile distribution from their network of stores. It is one of the few parts of the retail landscape where physical stores are truly integral to the online journey.

DEBT AND EQUITY MARKETS

Property companies remained busy on debt refinancings throughout the pandemic and the huge amount of central bank support and government stimulus ensured a healthy, liquid market where pricing did not weaken. According to EPRA, €15.2bn was raised in 2019 at an average coupon of 1.8% and 2020 saw €15.6bn at a cost of 1.6%. These figures are not directly comparable as the mix of debt offerings in each period was different but they are a clear indicator as to the health and price stability in the debt markets. German residential companies were again busy with Vonovia raising €2.5bn in four transactions borrowing 10-year money at 1%. Later in October, Gecina, Europe's largest office REIT raised €200m in a 2034 term bond at 0.86%.

Early in the crisis, we saw a number of strong businesses trading at premiums raise equity capital for opportunistic expansion. This was in sectors with clear underlying demand, namely healthcare (Assura, Aedifica, Primary Health Properties), self-storage (Big Yellow), logistics/industrial (LondonMetric, Segro, VGP), supermarkets (Supermarket Income REIT, Cibus) and German residential (Vonovia, ADO Properties, LEG). The Autumn saw opportunistic raises in Sweden and Norway (Balder, Klovern and Norwegian Properties) a region which had experienced low levels of lockdown restrictions. More recently in February and March this year we saw renewed activity in the UK, as the vaccine rollout improved sentiment, with raises from Target Healthcare, LXI, Tritax Eurobox and Supermarket Income REIT again. Continental European raises in 2021 have so far been confined to healthcare (Cofinimmo) and student accommodation (Xior).

Post the summer we saw the beginning of an expected surge of more defensive raises as companies finally came under cashflow and valuation pressure. In the end it was just a handful of retail focused names who had been mismanaging their balance sheets long before the pandemic. Hammerson's £600m raise effectively recapitalised the balance sheet with a 24 for 1 rights issue accompanied by the (previously announced) departure of the CEO completing the overdue C-suite shuffle of Chair, CEO and CFO. In late October, Shaftesbury announced a £300m placing and open offer. Looking back their timing was spectacularly unfortunate as the announcement of the first vaccines came less than a fortnight later.

These game changing announcements immediately altered expectations and there is nowhere better to illustrate the point than the corporate saga at Unibail-Rodamco-Westfield (URW). URW had announced a €9bn 'Reset' plan comprising €3.5bn capital raise, dividend cancellation and a planned €4bn of disposals. A group of activist shareholders lead by Leon Bressler (the CEO of Unibail from 1992 to 2006) launched a campaign to oppose these AGM proposals and launch an alternative strategy which did not include a deeply discounted capital raise. They proposed the sale of the US (ex Westfield) portfolio and a return to their roots as an owner of prime European shopping centres. Their timing was fortunate, with the 10th November AGM coming just after the vaccine announcement and the improvement in investor sentiment even for deeply indebted businesses. Essentially convincing investors that they didn't need to put 'good money after bad' and that the self help strategy would succeed. They were successful in their campaign and shareholders voted against the 'Reset' plan. This led to the departure of the Chairman, CEO and CFO and the promotion of existing senior managers to the Board. The share price, which had troughed at €35 per share, subsequently doubled amidst the closing of short positions. This corporate tale neatly encapsulates the dramatic change in investor sentiment (and pricing of previously unloved businesses) which we saw from November onwards.

INVESTMENT ACTIVITY – PROPERTY SHARES

Turnover (purchases and sales divided by two) totalled £468m equating to 36% of the average net assets over the period. This was broadly in line with last year's equivalent figure (32%) which itself was well ahead of the year to March 2019 (20%). It has therefore been two years of elevated portfolio rotation due to market volatility. The rapid reduction in leverage in February and March 2020 was followed by a swift reinvestment in the portfolio which occurred in April and May as share prices recovered from their March lows and this reinvestment was boosted by our participation in the majority of the large number of offensive capital raises as described earlier.

Whilst a number of sought after businesses were standing at premiums to asset value and therefore were able to raise capital accretively, the 'Covid' world meant that another smaller cohort of companies required emergency (defensive) capital raises. After Hammerson's raise in September came Shaftesbury's £300m raise at 400p per share, a 20% discount to the undisturbed share price and 55% below where it had started 2020. We didn't own Shaftesbury prior to the capital raise but took the opportunity to participate. Given that part of the company's rationale for the raise was to give comfort to their banks and secure waivers over potential covenant breaches, one wonders if the Board would have felt so pressurised just a few days later. The share price finished our financial year at 641p which reflects the enormous change in sentiment around the reopening of the economy.

Private equity continues to stalk listed property companies and I reiterate the statement made many times in these reports over the last decade – if the listed market persistently undervalues its companies, private capital won't be shy about buying it. This year we have seen various firms build positions in listed companies: Brookfield (British Land), KKR (Great Portland Estates) and Starwood (RDI, CA Immo). It is the latter which has been most active with its stakes. Having acquired 30% of RDI from its South African based parent company, it launched an agreed bid for the remainder in February. The interesting point is that the offer (recommended by the Board at 121p) was 20% below the last published asset value but 30% ahead of the undisturbed share price. The board were acknowledging two things - firstly that the asset valuation was historic and likely to fall further and secondly that the mixed portfolio, whilst on the road to improvement under refreshed management, was set to trade perpetually at a discount to its asset value. The exit price therefore looked a fair one.

The precedent has been set and other small, deeply discounted companies should look to merge and generate improved operational metrics for their shareholders.

The corporate activity around Entra in Norway (covered earlier) was an important contributor to performance given our holding (2.5% of net assets).

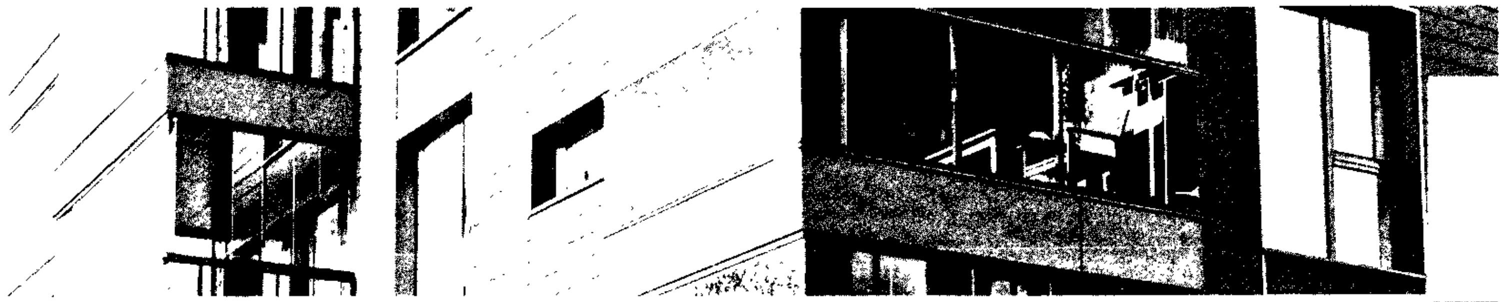
The interest in listed real estate continues to strengthen as we move into the Spring with a range of existing companies taking the opportunity to raise capital whilst their shares trade at premiums to their asset value. This was capped in March by the first major IPO for over 3 years. CTP, a Central European logistics owner/developer raised €1bn with the founder diluting from 100% ownership to 83%. The company has a market cap of €5.6bn.

INVESTMENT ACTIVITY – DIRECT PROPERTY PORTFOLIO

The physical property portfolio returned 2.8% with a capital return of -0.7% and an income return of 3.4% for the 12 months to March 2021. In what was a difficult year for real estate, the portfolio remained resilient with rent collection in excess of 90% for all four quarters and with only limited concessions given to two retail tenants

During the period the Trust sold its freehold interest in the Yodel Distribution Centre in North Bristol for £10m which reflected a net initial yield of 4.5% and a capital value of £200 per sq ft. This followed the successful regearing of the lease at the beginning of 2020. The sale was concluded at a 25% premium to the September 2020 valuation and is 118% above the July 2014 purchase price.

The Trust also had a successful period of asset management completing a number of leases including the letting of the vacant restaurant unit at The Colonnades. The 3,500 sq ft unit has been let to Happy Lamb Hot Pot on a 20 year lease. Happy Lamb is the latest edition of a hugely successful Asian and US chain which produces authentic Mongolian hot pot cuisine. This is their third restaurant opening after Holborn and Birmingham. This letting concludes a 10 year



transformation of this Bayswater asset where we have added 16,000 sq ft of new retail space (bringing exciting brands like Graham & Green and 1 Rebel to the area) as well as doubling the Waitrose footprint from 20,000 to 40,000 sq ft.

At Wandsworth, following the successful granting of planning in November 2019, we have continued to work with Wandsworth Borough Council and the Greater London Authority to deliver the complex and detailed s.106 agreement. As anticipated this will take time. Meanwhile, we continue to let any of units on the estate which come vacant on short term leases. The demand for industrial space has continued to grow over the past 12 months and central London is no exception. New rents across the estate are in the high £20s per sq ft and post the year end we have let the only vacancy to Sweaty Betty, the highly successful UK leisure and fashion retailer.

REVENUE AND REVENUE OUTLOOK

Revenue earnings for the current year of 12.25p were 16% lower than the prior year.

Earnings were enhanced by a tax refund and some further prior period withholding tax recoveries which reduced the revenue tax charge rate to only 1.9%. The most significant contribution by far was a tax refund and interest thereon resulting from the final settlement of our long running FII GLO claim with HMRC. The tax refund and interest amounted to £1.7m, and that, together with the ability to release some associated provisions meant an overall contribution of 0.71p to the revenue account.

Long standing investors may recall that this claim was first mentioned in our reports for the year ended March 2010 following a change in UK tax law that all overseas dividend receipts were non-taxable in the UK from 1 July 2009. There were various challenges running through the European courts that this treatment of overseas dividends should be applied to earlier periods. These have ultimately had some degree of success and last year HMRC announced that they would settle on the open computations. We reached agreement with HMRC on our own open computations just before the financial year end and the tax repayment has been received.

In addition to the tax refund received we were able to reinstate losses which had been utilised for the relevant periods. These will now be available going forward, although use will be subject to current restrictions.

Our underlying income over the year fell by around 24%. Some companies cancelled dividends payable early in the financial year in reaction to the COVID-19 pandemic, or reduced distributions and this was documented in the Interim Report. The second half saw a similar level of income reduction as that seen in the first half. In addition, in the final quarter of the year some of our overseas income was impacted by sterling strength.

The longer-term outlook is still not clear. The UK has rolled out a successful vaccination programme and at the time of writing the easing of restrictions is progressing along the government roadmap timetable. This has enabled us to be a little more confident about our UK earnings with all companies (excluding some small cap retail focused businesses) recommencing dividends for FY22.

There have been clear real estate winners and losers and the portfolio remains well positioned towards those sectors which have maintained robust earnings through the pandemic. Our exposure to index-linked income remains high and we will see dividend increases here alongside those names exposed to buoyant conditions such as industrial and logistics. Other areas will remain under pressure

On balance we expect the income from our portfolio to increase over the current financial year as both the UK and Continental Europe experience strong post vaccine recoveries. However, it should be noted that stronger sterling would reduce the income from our overseas holdings and any reductions in gearing would also lead to lower income.

GEARING AND DEBT

The Chairman has already commented on gearing levels and also highlighted the benefits of our flexible borrowing structure.

This flexibility has been crucial in such a volatile year. Our gearing oscillated in a 10% range as we responded to the dramatic changes in market sentiment through the year. Over the period we utilised both our revolving loan facilities and our CFD capability in order to achieve this.

We increased the capacity on our ICBC loan facility during the year and the remaining loans were renewed at existing levels. We did see small increases on margins on some renewals. We also looked at the potential to take out new or extend our longer-term debt. Our Euro denominated loan note is due for repayment in 2026 and the Sterling note in 2031, however the flexibility of the short- term facilities is valuable in more volatile markets and has certainly worked well for us in the current year.

We continue to explore new options in all markets.

OUTLOOK

As economies emerge from the grip of the pandemic, investors have focused on assessing whether the damage (or growth) was temporary, longer lasting or permanent. Real estate investors are no exception and the range of premiums / discounts to net asset values of listed companies highlights the breadth of expectations across the property spectrum. The difficulty is that there is no precedent for the profile of recovery in tenant demand across so much of this asset class. Clearly existing structural shifts have been accelerated and new ones have emerged which may prove more permanent than the markets currently expect. All of this uncertainty leads us to focus on income sustainability and those markets where – if demand does return – supply is constrained.

Whilst tenant demand is hard to gauge we do benefit from a benign financing environment. Debt markets are as accommodating as they have ever been, even if the long end of the curve is rising. We see no reason for margins to widen in the near term. Inflationary pressures are building and fixed income asset values reflect these expectations. Property offers income which is tied either directly (index-linked) or indirectly (rental growth) to economic expansion. Our intention is to remain focused on areas where that income is both sustainable and where it offers growth.

In the near term, we aim to maintain the exposure to the private rented residential sector (particularly in Germany and Sweden) as the market continues to undervalue not only the quality of those earnings but also the steady growth profile. There is risk – in Germany – that a left wing coalition government would amend the current federal law resulting in local cities getting more control over rents. However the rent freeze in Berlin (over the last 18 months) resulted in a reduction in the number of available apartments as well as a slowing in the pace of new apartment delivery. We trust that common sense will prevail over political dogma. Elsewhere, undervalued income streams are evident in supermarkets and in parts of the healthcare market. Alongside index-linked sustainability we will also maintain exposure to the greatest growth opportunities. The structural shifts in retail behaviour are still ongoing. Evolution in the speed of delivery and post pandemic supply chain dynamics will drive growth across the logistics landscape from 'big box' to 'last mile'. We will continue to own the developers where we see increases in the value of landbanks as well as growing development margins. Investor demand for the end product shows no sign of abating.

Office markets will remain volatile. Businesses will spend time working out their requirements in a post pandemic world. Interaction and collaboration will drive office usage. Tasks that can be fulfilled without physical interaction will be timetabled for remote working. A new balance will develop with one sure fire certainty, the premium being attached to best in class newly built space with complete environmental credentials. Developers will respond to this demand and we expect an acceleration in buildings being identified for refurbishment earlier than previously envisaged. Obsolescence of the existing office stock will accelerate.

Post the year end in early May, St Modwen Properties announced that an offer of 542p per share from Blackstone, a 24% premium to the last published NAV had the support of the board. This company has a large strategic landbank, a high quality logistics portfolio and a growing housebuilding unit and whilst it was trading close to its asset value, private equity clearly feels it is undervalued. This is a reminder, as stated in a number of previous reports, that the depth of both equity and debt availability underpins listed company valuations.

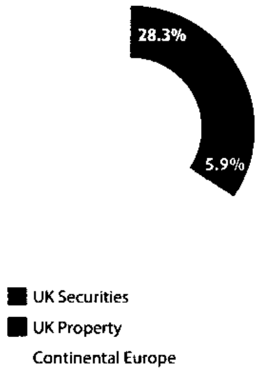
Marcus Phayre-Mudge
Fund Manager

3 June 2021

Portfolio

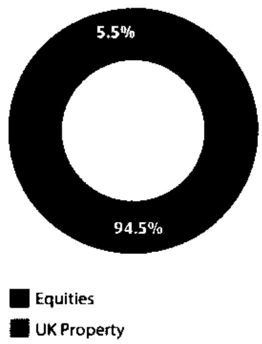
Distribution of Investments
as at 31 March

	2021 £'000	2021 %	2020 £'000	2020 %
UK Securities				
- quoted	**395,644**	**28.3**	352,188	30.4
UK Investment Properties	**83,071**	**5.9**	94,510	8.1
UK Total	**478,715**	**34.2**	446,698	38.5
Continental Europe Securities				
- quoted	**921,801**	**65.8**	708,597	61.1
Investments held at fair value	**1,400,516**	**100.0**	1,155,295	99.6
- CFD (creditor)/debtor[1]	**(141)**	**-**	8,698	0.7
- TRS creditor[2]	**-**	**-**	(3,808)	(0.3)
Total Investment Positions	**1,400,375**	**100.0**	1,160,185	100.0



Investment Exposure
as at 31 March

	2021 £'000	2021 %	2020 £'000	2020 %
UK Securities				
- quoted	**395,644**	**25.6**	352,188	28.9
- CFD exposure[3]	**45,441**	**2.9**	32,257	2.6
- TRS exposure[4]	**-**	**-**	6,598	0.5
UK Investment Properties	**83,071**	**5.5**	94,510	7.8
UK Total	**524,156**	**34.0**	485,553	39.8
Continental Europe Securities				
- quoted	**921,801**	**59.5**	708,597	58.2
- CFD exposure[3]	**100,560**	**6.5**	24,471	2.0
Total investment exposure[5]	**1,546,517**	**100.0**	1,218,621	100.0



Portfolio Summary
as at 31 March

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Total investments	**£1,401**	£1,155m	£1,291m	£1,316m	£1,145m
Net assets	**£1,326**	£1,136m	£1,328m	£1,256m	£1,118m
UK quoted property shares	**28%**	31%	33%	31%	29%
Overseas quoted property shares	**66%**	61%	59%	62%	63%
Direct property (externally valued)	**6%**	8%	8%	7%	8%

Net Currency Exposures
as at 31 March

	2021 Company %	2021 Benchmark %	2020 Company %	2020 Benchmark %
GBP	**27.9**	**28.3**	27.0	26.8
EUR	**51.2**	**50.9**	53.0	53.1
CHF	**6.7**	**6.6**	7.9	7.9
SEK	**12.9**	**12.9**	11.0	11.3
NOK	**1.3**	**1.3**	1.1	0.9

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

Investment Portfolio by Country
as at 31 March 2021

	£'000	Market value %
Austria		
CA Immobilien	9,092	0.6
	9,092	0.6
Belgium		
Warehousing and Distribution de Pauw	24,771	1.8
Aedifica	16,502	1.2
Cofinimmo	13,677	1.0
VGP	8,070	0.6
Xior	5,926	0.4
Care Property	4,841	0.3
Montea	2,329	0.2
Intervest Offices & Warehouses	1,923	0.1
Wereldhave	247	-
	78,286	5.6
Finland		
Kojamo	17,500	1.2
Citycon	2,170	0.2
	19,670	1.4
France		
Argan	53,987	3.9
Gecina	24,036	1.7
Covivio	13,457	1.0
Klépierre	10,364	0.7
Altarea	1,351	0.1
	103,195	7.4
Germany		
Vonovia	145,982	10.4
LEG	63,904	4.6
Deutsche Wohnen	54,499	3.9
Aroundtown	39,306	2.8
VIB Vermoegen	37,980	2.7
TAG Immobilien	33,294	2.4
Alstria	8,811	0.6
Deutsche Euroshop	5,283	0.4
	389,059	27.8
Ireland		
Hibernia REIT	20,998	1.5
Irish Residential Properties	2,990	0.2
	23,988	1.7
Netherlands		
Eurocommercial Properties	25,077	1.8
Unibail-Rodamco-Westfield	14,499	1.0
NSI	4,099	0.3
	43,675	3.1
Norway		
Entra	16,199	1.2
	16,199	1.2
Spain		
Arima Real estate	21,102	1.5
Merlin	19,901	1.4
	41,003	2.9

	£'000	Market value %
Sweden		
Kungsleden	36,061	2.5
Wihlborgs	23,390	1.7
Cibus	18,201	1.3
Fabege	17,594	1.2
Castellum	16,805	1.2
Fastighets Balder	16,216	1.2
Nyfosa	12,008	0.9
Catena	8,933	0.6
Samhalls	3,737	0.3
Pandox	2,690	0.2
	155,635	11.1
Switzerland		
PSP	41,999	3.0
	41,999	3.0
United Kingdom		
SEGRO	60,357	4.3
Derwent London	33,584	2.4
Safestore Holdings	32,193	2.3
Landsec	31,327	2.2
Stenprop	30,477	2.2
Phoenix	25,213	1.8
Unite Group	25,143	1.8
Sirius	22,241	1.6
Picton	21,330	1.5
CLS Holdings	20,077	1.4
Londonmetric Property	19,903	1.4
McKay Securities	18,104	1.3
Secure Income REIT	15,551	1.1
Supermarket Income REIT	9,614	0.7
Tritax Eurobox	7,634	0.6
PRS REIT	6,189	0.4
Assura	5,194	0.4
Target Healthcare	4,418	0.3
Primary Health Properties	3,848	0.3
Atrato Capital	1,468	0.1
Capital & Regional	1,062	0.1
Capital & Counties	717	0.1
	395,644	28.3
Direct Property	83,071	5.9
CFD Positions (included in current liabilities)	(141)	0.0
Total Investment Positions	1,400,375	100.0

Companies shown by country of listing.

Twelve Largest Equity Investments

VONOVIA

1. VONOVIA (GERMANY)

	31 March 2021	31 March 2020
Shareholding value	**£146.0m**	(£144.4m)
% of investment portfolio†	**9.4%**	(11.8%)
% of equity owned	**0.5%**	(0.7%)
Share price	**€55.70**	(€44.86)

Vonovia is a German listed residential company and the largest real estate company in Continental Europe by market capitalization.

At the end of 2020, the company owned a portfolio of EUR56.8bn split between Germany (84%), Sweden (11%) and Austria (5%). Vonovia has developed a large in-house craftsman organization which allows the company to run a strategy focusing on modernizing its portfolio. The company is involved in the whole value chain of the residential sector via its rental business (81% of group EBITDA), its value-add branch (energy and multimedia related services, 8%), its third-party development business (6%) and its recurring sales program (5%). Finally, the residential sector is subject to strict regulations in Germany in particular. Vonovia's management has been particularly pro-active with public authorities, complying with regulations and assuming a social role which should allow them to benefit from critical political goodwill in the future. In 2020, Vonovia delivered again strong results in absolute and relative terms. The company delivered a +17% total accounting return (computed as the growth in NAV + dividend paid over the year) against +14% on average for the main listed residential peers. The like for like rental growth at +3.1% was resilient and one of the highest in the residential sector despite the impact of the Berlin rental freeze which implied a negative rental adjustment in November 2020. The total shareholder return since listing in July 2013 has been +314%.

SEGRO

2. SEGRO (UK)

	31 March 2021	31 March 2020
Shareholding value	**£67.8m**	(£38.7m)
% of investment portfolio†	**4.4%**	(3.2%)
% of equity owned	**0.6%**	(0.5%)
Share price	**938.0p**	(764.0p)

Segro has become the largest UK REIT by market cap, and is the largest operator of logistics and industrial property listed in the UK, with a total portfolio of £13bn (split 53% in the UK, 47% in Continental Europe, with 66% urban warehouses, 32% big boxes and 2% other uses). In the UK, the group is mainly exposed to Greater London industrial and logistics. Rental growth in these markets has been extremely strong as there remains an acute supply-demand imbalance, fuelled by tenants' requirements to deal with the growth in e-commerce. In Europe, Germany and France are the group's largest markets with Italy third; these markets have a lower, but still positive, rental growth outlook (and are geographically less space-constrained) but continue to see yield compression as investors have paid keener yields for access to strong income. The logistics sector has proved particularly resilient during the COVID crisis, with high rent collection. Segro has extensive development exposure that it manages to largely pre-let and develop at yields significantly in excess of investment values (c.6-7% yield on cost vs. an EPRA net initial yield of 3.8% at FY20). We expect this to drive both earnings and NAV growth, as well as high shareholder total returns. The five-year total shareholder return has been 177%.

LEG

3. LEG (GERMANY)

	31 March 2021	31 March 2020
Shareholding value	**£63.9m**	(£75.3m)
% of investment portfolio†	**4.1%**	(6.2%)
% of equity owned	**0.9%**	(1.2%)
Share price	**€112.2**	(€102.7)

LEG is a German residential company focused on the economically strong region of North Rhine-Westphalia. It is one of the largest real estate companies in Germany with more than 144,000 units under management and a combined value of €14.6bn. In addition to the strong focus on NRW, the company is exploring opportunities on B and C locations in adjacent states with the view to leverage their market access as well as their existing platform still within strict and conservative financial criteria. The company has a distinct advantage to be less exposed to regulatory risk than peers with a Berlin exposure and to benefit from a relatively high share of state subsidised tenants (25% of the total). The very low average rent per sqm at EUR5.96 as well as the relatively low value per sqm of EUR,1503 make the company particularly well suited to weather any potential macro-economic shock. In addition, the company has shown over the years a conservative management on the liabilities side which continued to be the case in 2020 with a LTV of 37.6% (maximum target set at 43% for 2021), an average debt maturity of 7.4 years (8.1 years in 2019) and a net debt to adjusted EBITDA of 11.8x. In 2020, LEG delivered a strong total accounting return of 20% ahead of the sector average at 14%. The five-year total shareholder return has been +106%.

Notes

† The percentage of investment portfolio positions set out above include exposures through CFD for both the individual positions and the portfolio

‡ The Investment Portfolio by Country positions set out on page 18 are the physical holdings only included in the investments held at fair value in the Balance Sheet. The profit or loss positions on the CFD contracts (i.e. not the investment exposure) are also shown on page 18 and are included in the Balance Sheet as debtors or creditors in the Current assets

DEUTSCHE WOHNEN

ARGAN

gecina

4. DEUTSCHE WOHNEN (GERMANY)

	31 March 2021	31 March 2020
Shareholding value	**£54.5m**	(£36.4m)
% of investment portfolio†	**3.5%**	(3.0%)
% of equity owned	**0.5%**	(0.3%)
Share price	**€39.78**	(€34.71)

Deutsche Wohnen is Germany's second largest residential company with the bulk of its exposure to Greater Berlin (76% of the total portfolio FV). The company owns a high-quality portfolio consisting of more than 155,000 units with a combined value of €26bn. In addition to the rental business, the company is present in the Nursing and Assisted Living business which around represented 12% of the Group EBITDA in 2020 (target to get to 15% in the medium-term).The company benefits from its development exposure with a total investment cost of EUR6.9bn (27% of GAV) split between build-to-hold (EUR4.3bn, 62% of the pipeline) and build-to-sell (EUR2.6bn, 38% of the pipeline). In a context of the implementation of the rental freeze in Berlin, the company showed a resilient financial performance in 2020 with a total accounting return of 14% in line with German residential peers. The Greater Berlin portfolio was valued at EUR2,853 per sqm on average which leaves significant upside potential in the future. As expected, post FY20 results we had the positive unequivocal decision from the court that the rental freeze was anti-constitutional and therefore cancelled. The five-year total shareholder return has been +62%.

5. ARGAN (FRANCE)

	31 March 2021	31 March 2020
Shareholding value	**£54.0m**	(£46.8m)
% of investment portfolio†	**3.5%**	(3.8%)
% of equity owned	**3.5%**	(3.5%)
Share price	**€80.4**	(€67.6)

Argan is a French company, created in 2000 by Jean-Claude Le Lan, which has been listed since 2007. The objective of the company has been to build a portfolio of premium logistic assets which guarantee a stable and high occupancy rate at around 100%. The company is vertically integrated and has full control of the entire value chain by identifying future needs of prospective and current tenants and developing assets on their behalf. Therefore, Argan is able to capture the developer margin while having little to no risk on the letting side. In 2020, the portfolio value amounted to EUR3bn (100% exposed to France, 27% exposed to Greater Paris region, 16% to the North of France and 13% around Lyon).

The company delivered solid 2020 results with an EPRA NRV per share up 19% YoY and a DPS up 11%. The funding of the company is based on a conservative mix of 90% amortizable mortgage loans with an average maturity of 8 years and 10% of bonds. *The relatively low* dividend payout at below 50% allows the company to retain cash and reinvest in new development projects while repaying debts. The management of the company has been assumed by its founder Jean-Claude Le Lan who owns alongside family members 40% of the share capital which is a strong guarantee of alignment. The *five-year total shareholder return has* been +307%

6. GECINA (FRANCE)

	31 March 2021	31 March 2020
Shareholding value	**£53.9m**	(£47.5m)
% of investment portfolio†	**3.5%**	(3.9%)
% of equity owned	**0.7%**	(0.6%)
Share price	**€117.4**	(€120.7)

Gecina is the largest office landlord in Europe with a portfolio of more than €14bn focused almost exclusively on the Paris region (97% of the total office value) and with a high share in Paris city (60% of the total office value). It owns also a portfolio of €3.6bn of residential assets (of which EUR367m in student housing) predominantly located in the Paris region. Finally, the company owns a portfolio of exclusive high street retail assets for a value of €1.6bn located in Paris city. The management is capitalizing on a development pipeline of more than €3.5bn (17% of GAV) to be delivered in the next five years. This is a continuation of the total return strategy which has been implemented by the company over the last couple of years: in essence, redeveloping assets where the management sees value creation potential and disposing mature assets to crystalize capital gains. Since the end of 2014, the company has delivered 30 projects and generated EUR1.1bn of value creation (EUR15 per share). In 2020, the company showed resilience with 99% rent collection, stable portfolio valuation and Like for like rental growth of +2.3%. The financial position of the company is very solid with an LTV at 35.6% and an average debt maturity of 7.1 years.

The five-year shareholder total return has been +21.6%.

Notes

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KLEPIERRE

7. KLEPIERRE (FRANCE)

	31 March 2021	31 March 2020
Shareholding value	**£51.3m**	(Nil)
% of investment portfolio†	**3.3%**	(0%)
% of equity owned	**1.0%**	(0%)
Share price	**€19.89**	(€17.57)

Klepierre is a European shopping center operator, managing around 140 centers with a total portfolio valuation of EUR22bn. The main exposures are in France/Belgium (39% of total), Italy (18%), Scandinavia (17%) and Iberia (10%). The company, like the rest of shopping center owners, was impacted by the COVID crisis in 2020 and therefore reported an EPS down 27% YoY and an EPRA NTA per share down 15% YoY. On a relative basis, the company benefits from its focus on Continental Europe where shopping centers are anchored by food retailers contrary to UK or US centers anchored by department stores which have been undergoing significant challenges (partly driven by online competition). The financial position of the company is also more solid than its direct peers with an LTV of 41.4% and a net debt to EBITDA ratio of 10.8x. The board benefits from the experience of David Simon (Chairman of the Supervisory Board), Chairman and CEO of Simon Property Group which owns a 21% stake in Kleppierre. The five-year total shareholder return has been -34%.

safestore

8. SAFESTORE (UK)

	31 March 2021	31 March 2020
Shareholding value	**£44.0m**	(£27.9m)
% of investment portfolio†	**2.8%**	(2.3%)
% of equity owned	**2.6%**	(1.9%)
Share price	**796p**	(641p)

Safestore is the UK's largest self-storage operator, owning c.125 UK stores, weighted towards London and the South East (c.60%). In addition the company has a large footprint in the Paris market and has recently been expanding into new European cities (through both JV structures and outright ownership) taking footholds in Holland, Spain and Belgium. Safestore has a best in class operating platform which, along with peer Big Yellow, allows it to dominate the UK storage market, particularly in terms of online search. The company has driven consistent earnings growth both organically (through like-for-like occupancy and rate growth, opening new developments) and through acquisitions, a trend we expect to continue over the medium term; the self-storage market has proved remarkably resilient during the COVID-19 pandemic. The five-year total shareholder return has been 172%.

p|s|p
Swiss Property

9. PSP (SWITZERLAND)

	31 March 2021	31 March 2020
Shareholding value	**£42.0m**	(£m)
% of investment portfolio†	**2.7%**	(2.3%)
% of equity owned	**1.0%**	(0.6%)
Share price	**€115.20**	(€120.70)

PSP Swiss Property is one of Switzerland's leading real estate companies owning properties valued at around CHF8.6bn. These are mainly office and business premises in prime locations in Switzerland's key economic centers. Zurich represents 51% of the company's exposure (Geneva at 14%). Vacancy rate has consistently trended downward from a level at 8.5% in 2018 to an historic low of 3.0% at FY20. The company reported solid results in 2020 with EPS (excl revaluation) stable and NAV per share growing by 3%. The company will benefit from a development pipeline adding EUR34m of rents (11% of current) in the next three years. The pipeline is mostly exposed to Zurich (85% of total investment) and has a current pre-let ratio of 77%. The financial profile of the company is very conservative with an LTV of 35%, average cost of debt of 0.47% and a loan maturity of 5.5 years. The five-year total shareholder return has been 48%.

Notes

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AROUNDTOWN SA

VIB Vermögen AG

DERWENT LONDON

10. AROUNDTOWN (GERMANY)

	31 March 2021	31 March 2020
Shareholding value	**£39.3m**	(£20.3m)
% of investment portfolio†	**2.5%**	(1.7%)
% of equity owned	**0.5%**	(0.3%)
Share price	**€6.07**	(€4.55)

Aroundtown is a diversified German-based property company that owns a EUR24.5bn portfolio. It has a diversified commercial portfolio with exposure to Office (60% of the commercial portfolio), Hotels (28%), Retail (9%) and Logistics (3%). The majority of its exposure is in Germany and the Netherlands (86% together). The company is also exposed to German Residential (14% of total GAV) through its 39% holding in Grand City. The *portfolio has grown significantly since* Aroundtown was listed in 2015, through a series of deals, in particular, the takeover completed in early 2020 of listed German peer TLG Immobilien. Mr Yakir Gabay (advisory board deputy Chairman) who founded the company, still owns a 10% stake in the company via its vehicle Avisco Group (down from 27% pre TLG deal). In 2020, the company closed EUR2.3bn of disposals at a +3% margin to book value. *This year, the company will continue to* streamline the portfolio with a disposal pipeline of EUR500m while buying back shares for a maximum amount of EUR500m. The five-year total shareholder return has been 58%.

11. VIB VERMOEGEN (GERMANY)

	31 March 2021	31 March 2020
Shareholding value	**£38.0m**	(£22.9m)
% of investment portfolio†	**2.5%**	(1.9%)
% of equity owned	**5.5%**	(4.1%)
Share price	**€29.25**	(€22.80)

VIB is a German company developing, buying and holding commercial properties, primarily in the high-growth regions of Southern Germany. The company pursues a develop or buy and hold strategy aiming at growing its earning base while maintaining a solid financial structure. The real estate portfolio (EUR1.4bn) includes logistics and light industrial properties (70% of total rents), garden centers and DIY stores *(11%), grocery and discounters (7.5%).* The company benefits from a higher yielding portfolio than peers at 6.8% implying a superior EPS yield and more potential for yield compression and therefore NAV growth in a mid to long-term horizon. The vacancy rate has averaged 1.26% over the last five years. Between 2016 and 2020, FFO per share increased by 41%, NAV per share increased by 42% and DPS increased by 36%. In 2020, the company maintained *a solid momentum with EPS growing by* +3% and NAV per share growing by 9%. The five-year total shareholder return has been 93%.

12. DERWENT LONDON (UK)

	31 March 2021	31 March 2020
Shareholding value	**£37.6m**	(Nil)
% of investment portfolio†	**2.4%**	(0%)
% of equity owned	**1.0%**	(0%)
Share price	**3228p**	(3270p)

Derwent London is a London Office owner and developer, with a £5.4bn portfolio covering c.5.5m sq ft, focused primarily in the West End and "tech belt" (Old Street, Clerkenwell etc.) areas of London. 2020 has been a difficult year for office landlords following the impact of COVID-19, which both brought the transaction market and occupier market to a halt, and left ongoing uncertainty over future office use as the necessity and *popularity of working from home grew.* We believe the role of the office remains important however, and think that Derwent London is the best placed London Office landlord to weather the COVID-19 storm given a) its very defensive balance sheet (LTV 18%), b) the ongoing spread between prime office yields in London and other European cities (c.100bp), which we believe will support valuations even as ERVs soften and c) the company's high *quality development capabilities which* continue to create value as schemes like Soho Place, The Featherstone Building and 19-35 Baker Street complete. The five-year total shareholder return has been 18%.

Notes

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Investment Properties

as at 31 March 2021

Spread of Direct Portfolio by Capital Value (%)

as at 31 March 2021

	Retail	Industrial	Residential and Ground Rents	Other	Total
West End of London	42.9%	-	14.5%	0.6%	58.0%
Inner London*	1.6%	31.2%	-	-	**32.8%**
South West	-	9.2%	-	-	**9.2%**
Total	44.5%	40.4%	14.5%	0.6%	**100.0%**

*Inner London defined as inside the North and South Circular.

Lease Lengths within the Direct Property Portfolio

as at 31 March 2021

	Gross rental income
0 to 5 years	24%
5 to 10 years	17%
10 to 15 years	53%
15 to 20 years	0%
20+ years	6%

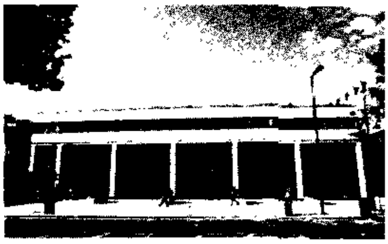
Contracted Rent

as at 31 March

Year 1	£3,000,000
Years 2-5	£10,000,000
Years 5+	£19,000,000

VALUE IN EXCESS OF £10 MILLION

The Colonnades, Bishops Bridge Road, London W2



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

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

Ferrier Street Industrial Estate, Wandsworth, London SW18

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

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

VALUE LESS THAN £10 MILLION

IO Centre, Gloucester Business Park, Gloucester GL3

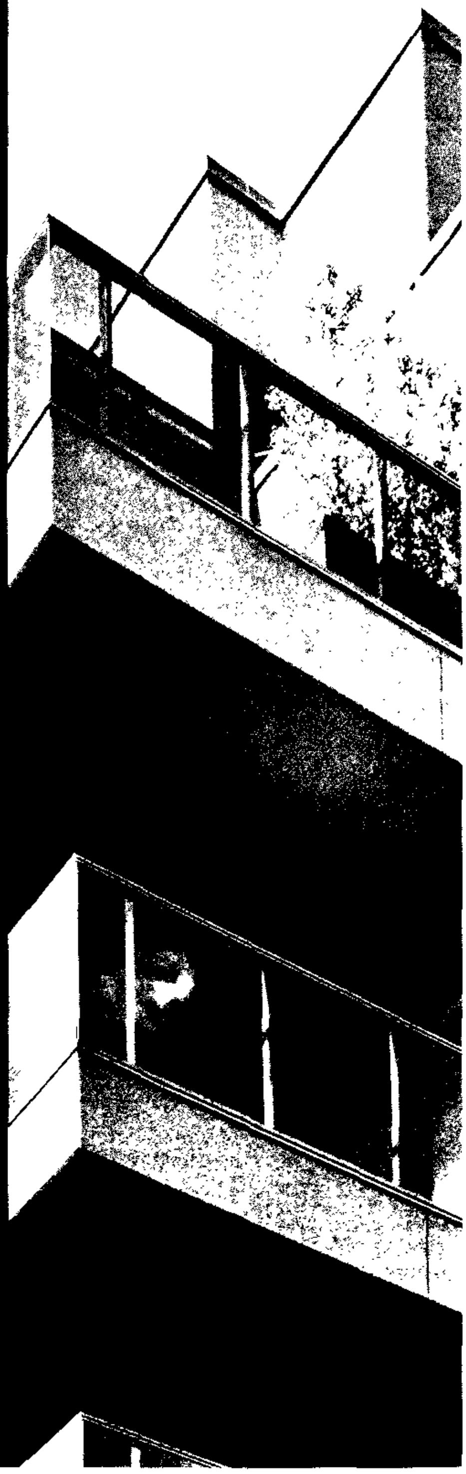
Sector	Industrial
Tenure	Freehold
Size (sq ft)	63,000
Principal tenants	Infusion GB

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

Investment Objective and Benchmark

The Company's Objective is to maximise shareholders' total return by investing in the shares and securities of property companies and property related businesses internationally and also in investment property located in the UK.

The benchmark is the FTSE EPRA/NAREIT Developed Europe Capped Net Total Return Index in Sterling. The index, calculated by FTSE, is free-float based and as at 31 March 2021 had 105 constituent companies. The index limits exposure to any one company to 10% and reweights the other constituents pro-rata. The benchmark website www.epra.com contains further details about the index and performance.



Business Model

The Company's business model follows that of an externally managed investment trust.

The Company has no employees. Its wholly non-executive Board of Directors retains responsibility for corporate strategy; corporate governance; risk and control assessment; the overall investment and dividend policies; setting limits on gearing and asset allocation and monitoring investment performance.

The Board has appointed BMO Investment Business Limited as the Alternative Investment Fund Manager ("AIFM") with portfolio management delegated to Thames River Capital LLP. Marcus Phayre-Mudge acts as Fund Manager to the Company on behalf of Thames River Capital LLP and Alban Lhonneur is Deputy Fund Manager. George Gay is the Direct Property Manager and Joanne Elliott the Finance Manager. They are supported by a team of equity and portfolio analysts.

Further information in relation to the Board and the arrangements under the *Investment Management Agreement can be found in the Report of the Directors* on pages 41 to 43.

In accordance with the Alternative Investment Fund Managers Directive ("AIFMD"), BNP Paribas has been appointed as Depositary to the Company. BNP Paribas also provide custodial and administration services to the Company. Company secretarial services are provided by Link Company Matters.

The specific terms of the Investment Management Agreement are set out on pages 53 and 54.

Strategy and Investment Policies

The investment selection process seeks to identify well managed companies of all sizes. The Manager generally regards future growth and capital appreciation potential more highly than immediate yield or discount to asset value.

Although the investment objective allows for investment on an international basis, the benchmark is a Pan-European Index and the majority of the investments will be located in that geographical area. Direct property investments are located in the UK only.

As a dedicated investor in the property sector the Company cannot offer diversification outside that sector, however, within the portfolio there are limitations, as set out below, on the size of individual investments held to ensure diversification within the portfolio.

ASSET ALLOCATION GUIDELINES

The maximum holding in the stock of any one issuer or of a single asset is limited to 15% of the portfolio at the point of acquisition. In addition, any holdings in excess of 5% of the portfolio must not in aggregate exceed 40% of the portfolio.

The Manager currently applies the following guidelines for asset allocation:

UK listed equities	25 - 50%
Continental European listed equities	45 - 75%
Direct Property - UK	0 - 20%
Other listed equities	0 - 5%
Listed bonds	0 - 5%
Unquoted investments	0 - 5%

GEARING

The Company may employ levels of gearing from time to time with the aim of enhancing returns, subject to an overall maximum of 25% of the portfolio value.

In certain market conditions the Manager may consider it prudent not to employ gearing on the balance sheet at all, and to hold part of the portfolio in cash.

The current asset allocation guideline is 10% net cash to 25% net gearing (as a percentage of portfolio value).

PROPERTY VALUATION

Investment properties are valued every six months by an external independent valuer. Valuations of all the Group's properties as at 31 March 2021 have been carried out on a "RICS Red Book" basis and these valuations have been adopted in the accounts.

ALLOCATION OF COSTS BETWEEN REVENUE & CAPITAL

On the basis of the Board's expected long-term split of returns in the form of capital gains and income, the Group charges 75% of annual base management fees and finance costs to capital. All performance fees are charged to capital.

HOLDINGS IN INVESTMENT COMPANIES

It is the Board's current intention to hold no more than 15% of the portfolio in listed closed-ended investment companies.

Some companies investing in commercial or residential property are structured as listed externally managed closed-ended investment companies and therefore form part of our investment universe. Although this is not a model usually favoured by our Fund Manager, some investments are made in these structures in order to access a particular sector of the market or where the management team is regarded as especially strong. If these companies grow and become a larger part of our investment universe and/or new companies come to the market in this format the Manager may wish to increase exposure to these vehicles. If the Manager wishes to increase investment to over 15%, the Company will make an announcement accordingly.

Key Performance Indicators

The Board assesses the performance of the Manager in meeting the Trust's objective against the following Key Performance Indicators ("KPIs"):

KPI	Board monitoring and outcome

Net Asset Value Total Return relative to the benchmark

The Directors regard the out-performance of the Company's net asset value total return in performance in comparison with the benchmark as being an overall measure of value delivered to the shareholders' over the longer-term.

- The Board reviews the performance in detail at each meeting and discusses the results and outlook with the Manager.

	Outcome 1 year	Outcome 5 years
NAV Total Return* (Annualised)	20.7%	7.7%
Benchmark Total Return (Annualised)	15.9%	4.3%

* NAV Total Return is calculated by re-investing the dividends in the assets and the Company from the relevant ex-dividend date. Dividends are deemed to be re-invested on the ex-dividends date for the benchmark

Delivering a reliable dividend which is growing over the longer term

The principal objective of the Company is a total return objective, however, the Fund Manager also aims to deliver a reliable dividend with growth over the longer term.

- The Board reviews statements on income received to date and income forecasts at each meeting.

	Outcome 1 year	Outcome 5 years
Compound Annual Dividend Growth*	1.4%	11.2%
Compound Annual RPI	1.5%	2.6%

* The final dividend in the time series divided by the initial dividend in the period raised to the power of 1 divided by the number of years in the series

The Discount or Premium at which the Company's shares trade compared with Net Asset Value

Whilst expectation of investment performance is a key driver of the share price discount or premium to the Net Asset Value of an investment trust over the longer-term, there are periods when the discount can widen. The Board is aware of the vulnerability of a sector-specialist trust to a change of investor sentiment towards that sector, or to periods of wider market uncertainty, and the impact that can have on the discount.

- The Board takes powers at each AGM to buy-back and issue shares. When considering the merits of share buy-back or issuance, the Board looks at a number of factors in addition to the short and longer-term discount or premium to NAV to assess whether action would be beneficial to shareholders overall. Particular attention is paid to the current market sentiment, the potential impact of any share buy-back activity on the liquidity of the shares and on Ongoing Charges over the longer term.

	Outcome 1 year	Outcome 5 years
Average discount*	10.2%	6.3%
Total number of shares repurchased	Nil	150,000

* Average daily discount throughout the period of share price to NAV, with income. Source Bloomberg.

KPI	Board monitoring and outcome

Level of Ongoing Charges

The Board is conscious of expenses and aims to deliver a balance between excellent service and costs.

The AIC definition of Ongoing Charges includes any direct property costs in addition to the management fees and all other expenses incurred in running a publicly listed company. As no other investment trusts hold part of their portfolio in direct property (they either hold 100% of their portfolio as property securities or as direct property), in addition to Ongoing Charges as defined by the AIC, this statistic is shown without direct property costs to allow a clearer comparison of overall administration costs with other funds investing in securities.

The Board monitors the Ongoing Charges, in comparison to a range of other Investment Trusts of similar size, both property sector specialists and other sector specialists.

- Expenses are budgeted for each financial year and the Board reviews regular reports on actual and forecast expenses throughout the year.

	Outcome 1 year	Outcome 5 years
Ongoing charges excluding performance fees	0.65%	0.65%
Ongoing charges excluding performance fees and Direct Property Costs	0.63%	0.62%

- The ongoing charges are competitive when compared to the peer group.

Investment Trust Status

The Company must continue to operate in order to meet the requirements for Section 1158 of the Corporation Tax Act 2010.

- The Board reviews financial information and forecasts at each meeting which set out the requirements outlined in Section 1158.
- The Directors believe that the conditions and ongoing requirements have been met in respect of the year to 31 March 2021 and that the Company will continue to meet the requirements.

The KPIs are considered to be Alternative Performance Measures as defined later in the Annual Report.

Principal and Emerging Risks and Uncertainties

In delivering long-term returns to shareholders, the Board must also identify and monitor the risks that have been taken in order to achieve that return. The Board has included below details of the principal and emerging risks and uncertainties facing the Company and the appropriate measures taken in order to mitigate these risks as far as practicable.

The Board also considers new and emerging risks adding appropriate monitoring and mitigation measures accordingly.

The impact of the COVID-19 pandemic, the response of financial markets, the unknown duration of the pandemic and ongoing impact on economies around the world together with operational changes in response to government guidelines continues to increase some of the risks listed below in comparison with prior years.

Risk Identified	Board monitoring and mitigation
Share price performs poorly in comparison to the underlying NAV	
The shares of the Company are listed on the London Stock Exchange and the share price is determined by supply and demand. The shares may trade at a discount or premium to the Company's underlying NAV and this discount or premium may fluctuate over time.	• The Board monitors the level of discount or premium at which the shares are trading over the short and longer-term. • The Board encourages engagement with the shareholders. The Board receives reports at each meeting on the activity of the Company's brokers, PR agent and meetings and events attended by the Fund Manager • The Company's shares are available through the BMO share schemes and the Company participates in the active marketing of these schemes. The shares are also widely available on open architecture platforms and can be held directly through the Company's registrar. • The Board takes the powers to buy-back and to issue shares at each AGM.
Poor investment performance of the portfolio relative to the benchmark	
The Company's portfolio is actively managed. In addition to investment securities the Company also invests in commercial property and accordingly, the portfolio may not follow or outperform the return of the benchmark	• The Manager's objective is to outperform the benchmark The Board regularly reviews the Company's long-term strategy and investment guidelines and the Manager's relative positions against these. • The Management Engagement Committee reviews the Manager's performance annually. The Board has the powers to change the Manager if deemed appropriate.

STRATEGIC REPORT

Risk Identified	Board monitoring and mitigation
Market risk Both share prices and exchange rates may move rapidly and adversely impact the value of the Company's portfolio. Although the portfolio is diversified across a number of geographical regions, the investment mandate is focused on a single sector and therefore the portfolio will be sensitive towards the property sector, as well as global equity markets more generally. Property companies are subject to many factors which can adversely affect their investment performance, these include the general economic and financial environment in which their tenants operate, interest rates, availability of investment and development finance and regulations issued by governments and authorities. Although we have now exited the European Union the structure of our future relationship with Continental Europe is still evolving and there could be an impact on occupation across each sector. The COVID-19 global pandemic dominated the financial year. This has changed the way we live and work, creating unprecedented uncertainty regarding the impact on economies and property markets around the world both in the short and longer term. Any strengthening or weakening of Sterling will have a direct impact as a proportion of our Balance Sheet is held in non-GBP denominated currencies. The currency exposure is maintained in line with the benchmark and will change over time. As at 31 March 2021, 72.1% of the Trust's exposure lies to currencies other than GBP.	• The Board receives and considers a regular report from the Manager detailing asset allocation, investment decisions, currency exposures, gearing levels and rationale in relation to the prevailing market conditions. • The report considers the potential impact of Brexit and the Manager's response in positioning the portfolio. • The report considers the current and potential future impact of the COVID-19 pandemic and the ongoing implication for the property market and valuations overall and by each sector.

Risk Identified	Board monitoring and mitigation
The Company is unable to maintain dividend growth	
Lower earnings in the underlying portfolio putting pressure on the Company's ability to grow the dividend could result from a number of factors: • *lower earnings and distributions in investee* companies. Companies in some property sectors continue to be negatively impacted by the COVID-19 pandemic. Companies in some sectors cancelled or reduced dividends during the last financial year as a precautionary measure to protect their balance sheets in the short term. Although most have returned to paying dividends, some are at a lower level than previously and others are continuing to withhold dividends; • prolonged vacancies in the direct property portfolio and lease or rental renegotiations as a result of COVID-19; • strengthening Sterling reducing the value of overseas dividend receipts in Sterling terms. The Company has seen a material increase in the level of earnings in recent years. A significant factor in this was the weakening of Sterling following the Brexit decision. Sterling strengthened in the last quarter of the financial year. This may continue or reverse again in the near or medium term as the longer term implications of Brexit and the COVID-19 pandemic and the impact on the UK and European economies are understood. Strengthening of Sterling would lead to a fall in earnings; • adverse changes in the tax treatment of dividends or other income received by the Company; and • changes in the timing of dividend receipts from investee companies.	• The Board receives and considers regular income forecasts. • Income forecast sensitivity to changes in FX rates is also *monitored*. • The Company has substantial revenue reserves which can be drawn upon when required. • The Board will continue to monitor the impact of COVID-19 and the long term implications for income generation.

Risk Identified	Board monitoring and mitigation
Accounting and operational risks	
Disruption or failure of systems and processes underpinning the services provided by third parties and the risk that these suppliers provide a sub-standard service. The impact of the COVID-19 pandemic and the operational response from the manager and service providers has been closely monitored.	• Third party service providers produce periodic reports to the Board on their control environments and business continuation provisions on a regular basis. • The Management Engagement Committee considers the performance of each of the service providers on a regular basis and considers their ongoing appointment and terms and conditions. • The Custodian and Depository are responsible for the safeguarding of assets. In the event of a loss of assets the Depository must return assets of an identical type or corresponding amount unless able to demonstrate that the loss was the result of an event beyond their reasonable control. • Monitoring the quality and timeliness of service as service providers respond to COVID-19 regulations and guidelines, in particular with widespread home working and consideration of the durability of the arrangements. Many organisations are now planning to incorporate home working into their operational structure as a permanent feature.
Financial risks	
The Company's investment activities expose it to a variety of financial risks which include counterparty credit risk, liquidity risk and the valuation of financial instruments. Any impact of the COVID-19 pandemic has been considered.	• Details of these risks together with the policies for managing these risks are found in the Notes to the Financial Statements in the full Annual Reports and Accounts.
Loss of Investment Trust Status	
The Company has been accepted by HM Revenue & Customs as an investment trust, subject to continuing to meet the relevant eligibility conditions. As such the Company is exempt from capital gains tax on the profits realised from the sale of investments. Any breach of the relevant eligibility conditions could lead to the Company losing investment trust status and being subject to corporation tax on capital gains realised within the Company's portfolio.	• The Investment Manager monitors the investment portfolio, income and proposed dividend levels to ensure that the provisions of CTA 2010 are not breached. The results are reported to the Board at each meeting. • The income forecasts are reviewed by the Company's tax advisor through the year who also reports to the Board on the year-end tax position and reports on CTA 2010 compliance.

Risk Identified	Board monitoring and mitigation
Legal, regulatory and reporting risks	
Failure to comply with the London Stock Exchange Listing Rules and Disclosure Guidance and Transparency rules; failure to meet the requirements under the Alternative Investment Funds Directive, the provisions of the Companies Act 2006 and other UK, European and overseas legislation affecting UK companies. Failure to meet the required accounting standards or make appropriate disclosures in the Interim and Annual Reports.	• The Board receives regular regulatory updates from the Manager, Company Secretary, legal advisors and the Auditors. The Board considers these reports and recommendations and takes action accordingly. • The Board receives an annual report and update from the Depository. • Internal checklists and review procedures are in place at service providers.
Inappropriate use of gearing	
Gearing, either through the use of bank debt or through the use of derivatives may be utilised from time to time. Whilst the use of gearing is intended to enhance the NAV total return, it will have the opposite effect when the return of the Company's investment portfolio is negative or where the cost of debt is higher than the return from the portfolio.	• The Board receives regular reports from the Manager on the levels of gearing in the portfolio. These are considered against the gearing limits set in the Investment Guidelines and also in the context of current market conditions and sentiment. The cost of debt is monitored and a balance sought between term, cost and flexibility.
Personnel changes at Investment Manager	
Loss of portfolio manager or other key staff.	• The Chairman conducts regular meetings with the Fund Management team. • The fee basis protects the core infrastructure and depth and quality resources. The fee structure incentivises outperformance and is fundamental in the ability to retain key staff.

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code, which requires the Company to assess the prospects of the Company over the longer term, the Directors have assessed the prospects of the Company over the coming five years. This period is used by the Board during the strategic planning process and the Board consider this period of time appropriate for a business of our nature and size.

This assessment takes account of the Company's current position and the policies and processes for managing the principal and emerging risks set out on pages 28 to 32 and the Company's ability to continue in operation and meet its liabilities as they fall due over the period of assessment. In making this statement the Board carried out a robust assessment of the principal and emerging risks facing the Company, including those that might threaten its business model, future performance, solvency and liquidity.

In reaching their conclusions the Directors have reviewed five-year forecasts for the Company with sensitivity analysis to a number of assumptions; investee company dividend growth, interest rate, foreign exchange rate, tax rate and asset value growth.

In the assessment of the viability of the Company the Directors have noted that:

- The Company has a long-term investment strategy under which it invests mainly in readily realisable, publicly listed securities and which restricts the level of borrowings.
- Of the current portfolio, 50% could be liquidated within five trading days and 69% within 10 trading days.
- On a Group basis, Current assets exceed current liabilities at the Balance Sheet Date.
- The Company invests in real estate related companies which hold real estate assets, and invests in commercial real estate directly. These investments provide cash receipts in the form of dividends and rental income.
- The Company is able to take advantage of its closed-ended Investment Trust structure and able to hold a proportion of its portfolio in less liquid direct property with a view to long-term outperformance.
- At the Balance Sheet Date the Company had £35 million undrawn on its revolving loan facilities
- The structure has also enabled the Company to secure long-term financing. EUR 50 million loan notes issued in 2016 are due to mature at par in 2026 and GBP15 million loan notes issued on the same date are due to mature at par in 2031
- The impact of COVID-19 on the UK and European commercial property markets remains a consideration. This resulted in a reduction in dividend receipts from investee companies in the year to 31 March 2021 with some companies withholding or reducing dividends. The majority of companies have returned to paying dividends, although some at lower levels than before the pandemic. As a result an improvement in income is anticipated in the forthcoming year. The longer term impact on some sectors is still difficult to assess, however the company has low exposure to these sectors.
- The direct property portfolio has been well positioned in respect of the COVID-19 crisis and rental collection to date has been robust. We have very limited exposure to retail and some smaller occupiers in the hospitality sector, however, overall the expected drop in income from the direct portfolio in 2020/21 was not material and likewise is not expected to be in the forthcoming year.
- The expenses of the Company are predictable and modest in comparison with the assets. Regular and robust monitoring of revenue and expenditure forecasts are undertaken throughout the year. The Company could suffer a reduction in earnings of 95% and still be able to meet its liabilities as they fell due.

- The Company has no employees and consequently does not have redundancy or other employment related liabilities or responsibilities.
- The Company retains title to its assets held by the Custodian which are subject to further safeguards imposed on the Depositary.
- The impact of Brexit and COVID-19 have been considered in terms of the potential effect on Sterling. 72% of the portfolio is exposed to currencies other than Sterling.

The following assumptions have been made in assessing the longer-term viability:

- Real Estate will continue to be an investable sector of international stock markets and investors will continue to wish to have exposure to that sector.
- Closed-ended Investment Trusts will continue to be wanted by investors and regulation or tax legislation will not change to an extent to make the structure unattractive in comparison to other investment products.
- The performance of the Company will continue to be satisfactory. Should the performance be less than the Board deems to be satisfactory, it has the appropriate powers to replace the Investment Manager.

The Board has concluded that the Company will be able to continue in operation and meet its liabilities as they fall due over the coming five years. The Company's business model, capital structure and strategy have enabled the Company to operate over many decades, and the Board expects this to continue into the future.

Corporate Responsibility

STRATEGIC REPORT

Approach

Environmental, Social and Governance ("ESG") factors can present both opportunities and threats to the performance we aim to deliver to our shareholders. The Board is therefore committed to taking a responsible approach on ESG matters. This covers the Company's own responsibilities on governance and reporting and, the most material way in which the Company can have an impact, through responsible ownership of the investments that are made on its behalf by its Manager

As a long-term investor, governance and sustainability considerations have always been embedded in our Manager's Investment Process. ESG risk assessments and considerations are integrated into the detailed fundamental investment research and analysis that takes place on any potential investment before it is considered for inclusion in the portfolio and continues on an ongoing basis for all investments held.

This approach is in line with the definition of an Article 6 Fund under the EU's Sustainable Finance Disclosure Regulations. Whilst this is currently European not UK regulation it is nonetheless a widely utilised definition.

There are two fundamental considerations to investment in property companies: the assets themselves and their management. The Manager seeks to invest in sustainable assets which are managed by quality teams in a well governed corporate structure. As a result, there has been a long-standing and strong culture of stewardship in the Manager's investment approach. The Manager believes that engaging with companies is best in the first instance, rather than simply divesting or excluding investment opportunities. However, there are instances where governance matters have driven a decision not to invest in a company. As one of the largest teams investing in Pan-European real estate equities, our Manager meets with a significant number of the management teams of investee and potential investee companies each year and has a robust record of engagement with an agenda of reducing risk, improving performance and encouraging best practice. Whilst likely an elevated number reflecting the impact of Covid, over the course of the year, our management team participated in 380 individual or group meetings with companies and their management teams.

Corporate Governance disclosure requirements have increased transparency enormously in recent years and enabled informed engagement, with social and employment practices also gaining increased focus and disclosure. Environmental measures are now rapidly coming to the fore and with wider disclosure requirements being placed upon our investee companies, as a result the Manager is able to scrutinise more easily other measures such as climate change and sustainability policies and outcomes.

Company Corporate Governance and Reporting

The Board also recognises the importance of the Company's own Governance and disclosures. The Company's compliance with the revised AIC Code of Corporate Governance is detailed in the Corporate Governance Statement on page 44 of this Annual Report.

Under Section 414 of the Companies Act 2006 there is the requirement to detail information about employee and human rights; including information about any policies it has in relation to these matters and effectiveness of these policies. As the Trust has no employees, this requirement does not apply. The Company is not within the scope of the UK Modern Slavery Act 2015 because it has not exceeded the turnover threshold and is therefore not obliged to make a slavery and human trafficking statement. The Directors are satisfied that, to the best of their knowledge, the Company's principal suppliers, which are listed on page 108, comply with the provisions of the UK Modern Slavery Act 2015.

The Board currently comprises three male Directors and two female Directors. The activities of the Nomination Committee in relation to the board changes are referred to in the Nomination Committee Report on pages 51 and 52. The Board's diversity policy is outlined in more detail in the Corporate Governance Report. The Manager has an equal opportunity policy which is set out on its website www.bmo.com

Governance of Investee Companies and Exercise of Voting Power

The Board has approved a corporate governance voting policy which, in its opinion, accords with current best practice whilst maintaining a primary focus on financial returns.

The exercise of voting rights attached to the portfolio has been delegated to the Manager. Where practicable, all shareholdings were voted at all company meetings in the financial year in accordance with BMOGAM's own corporate governance policies. This ensures that a strong, consistent approach is taken to proxy voting which backs up and reinforces engagement, takes a robust line on key governance issues such as executive pay and integrates environmental, social & diversity issues and sustainability practices into the voting process. The Manager regularly engages with companies on Governance matters, supported by our significant stakes in large property companies. Our size in this specialist area of the equity market has helped ensure our views are heard, augmented by the strength of BMO's Responsible Investment team and their broader engagement.

BMO's Responsible Investment Annual Review provides more information on its firm-level stewardship policies, as well as how these comply with the expectations of the UK Stewardship Code 2020. This is available at www.bmogam.com

During the financial year, the company voted against at *least one management proposal at 37% of shareholder* meetings and engaged with 19 companies (17 companies engaged on corporate governance issues).

Environmental

Environmental policies in the property sector focus largely on sustainability and climate change. Climate change is one of the defining challenges of modern times.

The management team have sourced data and research from several providers, including the BMO Responsible Investment team, MSCI and GRESB. The quantity and depth of data available in our sector varies greatly; the larger companies now have teams dedicated to providing environmental impact data and reporting, however many of our companies are small and do not currently contribute data to the organisations providing analysis to the investor community. With environmental issues coming to the fore and inevitable increased legislation we expect to see fairly rapid improvements and standardisation in data provision, increasing our ability to engage with companies on these matters.

GRESB

GRESB is a mission driven and investor led organization providing standardised and validated Environmental, Social and Governance (ESG) data to the capital markets. Established in 2009, GRESB now covers over $5 trillion in real estate assets, publishing i) an annual real estate assessment score for participating companies, and ii) a public disclosure score for all listed real estate companies. The real estate assessment score ranks Environment, Social and Governance metrics based on data contributed directly from participating companies, whilst the public disclosure score evaluates the level of ESG disclosure by listed property companies and REITS. Further detail on GRESB can be found at www.gresb.com

MSCI

MSCI ESG research covers a wide range of environmental impact measures including CO2 and greenhouse gas emissions, energy and water usage, in addition to wider corporate governance scores. Further detail can be found at www.msci.com/our-solutions/esg-investing/esg-ratings

Coverage of our sector is set out in the table below. Where coverage is based on public data, a significant proportion is included, whereas where specific data has to be submitted by companies the coverage is currently much thinner.

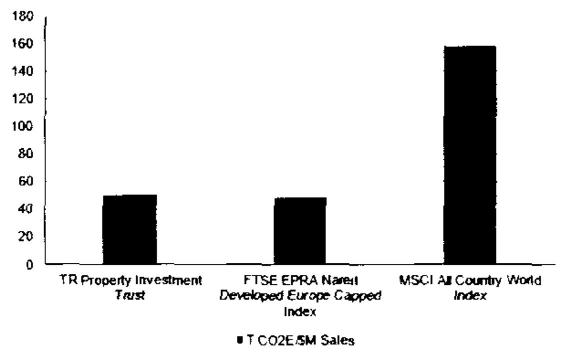
ESG data coverage by % weight

	GRESB				MSCI	
	Real Estate Assessment		Public Disclosure		Company Rating	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Rated	54%	55%	96%	99%	83%	98%
Unrated	46%	45%	4%	1%	17%	2%
Total	100%	100%	100%	100%	100%	100%

Source: GRESB, MSCI, BMO Global Asset Management. Data as at 31.03.2021. Fund exposure calculated as the % weight of the invested equity portfolio.

Portfolio-weighted carbon intensity

For the first year, we are disclosing, as best we can, the portfolio-weighted carbon intensity of the total portfolio. However, we still only have data on 82% of our equity portfolio and 97% of the index. As far as the data allows, we have mapped the Carbon Intensity (measured in terms of CO2 Scope 1 and 2 emissions per $m of sales) against the benchmark and for comparative purposes against a wider equity index.



Source: MSCI, FTSE, BMO Global Asset Management. Data as at 31.03.2021

As can be seen in the chart above, the fund's portfolio weighted carbon intensity was broadly in line with that of the benchmark, whilst significantly lower than the wider global equity index. This reflects the fact that for property, this is largely measuring the impact of ongoing emissions from running a building whereas the wider index includes operating companies with manufacturing capabilities and the need to distribute goods worldwide.

For the property sector, the focus is currently on the energy efficiency of buildings once they are occupied, but we expect in time more attention will be paid to the carbon emitted in getting them built and eventually dismantled which accounts for a large proportion of a building's emissions over its lifespan.

The message is that this is still an area where it is difficult to make fully informed decisions. The assessments from the various data providers reach different conclusions as they do not all score in a consistent way. We expect this to improve and change but it will be a journey. Our Manager is dedicating a lot of resource to the analysis of the information available and also has the benefit of the knowledge of BMOs award winning Responsible Investment Team. As data coverage improves, our Manager will in turn be able to engage with our investee companies on environmental matters and report to our shareholders in more depth.

Direct Property Portfolio

The Management team recognises the importance of sustainability in our business and in the direct property assets which we invest in, hold and manage on behalf of our investors. Property impacts upon the environment, the health and wellbeing of occupiers, and the communities in which they are situated. Specific issues relevant to physical property investment portfolio include, for example, responsible and sustainable refurbishment practices, efficient use of resources throughout their operation, and design and services to support the health and wellbeing of occupiers and local communities.

Environmental Audits are conducted on all our buildings prior to purchase. The Company will take remedial action or enforce tenant obligations to do so wherever appropriate. In managing Environmental, Social and Governance issues across the direct portfolio – our Manager engages with occupiers, external managers and suppliers. As a responsible steward of the Company's assets, our Manager is committed to improving sustainability characteristics through interventions that are carefully planned and executed.

Our Manager has strong, direct relationships with occupiers and is committed to working with them to develop the data, measurement tools and resources to set and achieve meaningful sustainability targets for the assets in the portfolio. As part of this, and working with the portfolio property managers, a Sustainability Roadmap is being implemented which targets biodiversity net gain across the portfolio by 2025, improving energy, water and waste efficiency, transitioning to 100% renewable energy and reducing greenhouse gas emissions in line with climate science.

By order of the Board

David Watson
Chairman

3 June 2021

Directors

DAVID WATSON
Chairman

Appointed:
April 2012

Experience:
David became Chairman following the retirement of Hugh Seaborn on 28 July 2020. Since 30 September 2018 David had served as the Board's Senior Independent Director when he simultaneously handed Chairmanship of the Audit Committee to Tim, a position he was appointed to on 1 January 2013. He spent 9 years as Finance Director of M&G Group plc, where he was a director of four equity investment trusts, and more recently at Aviva plc as Chief Finance Officer of Aviva General Insurance. He is a Chartered Accountant and has had a distinguished career in the Financial Services Industry.

Skills and Contribution to the Board:
Throughout his executive career, David has accumulated relevant skills in finance, audit and risk management and experience in the investment industry. His experience as SID and Chair in a number of boards have built significant experience in shareholder and investor engagement.

Other Appointments:
David is currently Chairman of Aegon Asset Management UK plc and he is a Director and Chairs the Audit Committee at the Prudential Assurance Company.

KATE BOLSOVER
Non-Executive Director

Appointed:
October 2019

Experience:
Kate previously worked for Cazenove Group and J.P. Morgan Cazenove between 1995 and 2005 where she was Managing Director of the mutual fund business, and latterly director of Corporate Communications. Prior to this, she worked extensively in the investment fund industry and was managing Director of Baring's mutual fund group. Kate was also previously a non-executive director of JPMorgan American Investment Trust plc until 2016, Senior Independent Director of Montanaro UK Smaller Companies Trust until 2019 and Chairman and Trustee of Tomorrow's People until 2017.

Skills and Contribution to the Board:
From her executive experience, Kate contributes significant and relevant skills of the investment industry to the Trust. Kate's role in various boards also gives her the relevant experience in investor and shareholder engagement.

Other Appointments:
Kate is currently Chairman of Fidelity Asian Values PLC and Senior Independent Director of Invesco Bond Income Plus Limited. She is also a non-executive Director of Baillie Gifford & Co Ltd.

SARAH-JANE CURTIS
Non-Executive Director

Appointed:
January 2020

Experience:
Sarah-Jane is a Member of the Royal Institution of Chartered Surveyors. Sarah-Jane was previously Business Director at Bicester Village for Value Retail. Before this, Sarah-Jane was Director, Covent Garden for Capital and Counties PLC. She has also worked for Grosvenor for 24 years including as London Estate Director (retail/Residential) and Fund Manager for LiverpoolONE.

Skills and Contribution to the Board:
Sarah-Jane has gained extensive experience during her varied career, particularly in the retail, and experience sectors and for Fund and Investment management activities.

Other Appointments:
Sarah-Jane is currently Property Director of Bicester Motion as well as a consultant to Value Retail PLC.

SIMON MARRISON
Senior Independent Director

Appointed:
September 2011

Experience:
Simon joined the Board of the Company on 28 September 2011 and became Senior Independent Director on 28th July 2020. He has over 30 years' experience in the European property investment industry. He is currently senior advisor for European Real Estate at KKR (Kohlberg Kravis Roberts). Prior to this he spent 19 years at LaSalle Investment Management where he was European CEO for 12 years with responsibility for a portfolio of over €20 billion across Europe. Simon has been based in Paris since 1990 having started his career in London. Until 1997 he was a partner at Healey & Baker (now Cushman & Wakefield) and from 1997 to 2001 he was at Rodamco where he became Country Manager for France. He joined LaSalle in 2001 as Managing Director for Continental Europe.

Skills and Contribution to the Board:
Simon brings in a wealth of experience, particularly in the European property market. He has gained leadership and management skills in his executive roles and relevant skills in investment management.

Other Appointments:
Senior advisor for European Real Estate at KKR (Kohlberg Kravis Roberts)

TIM GILLBANKS
Chairman of the Audit Committee

Appointed:
January 2018

Experience:
Tim is a Chartered Accountant, with 30 years' experience in the financial services and investment industry. Most recently he spent 13 years at Columbia Threadneedle Investments, initially as Chief Financial Officer, then Chief Operating Officer and finally as interim Chief Executive Officer.

Skills and Contribution to the Board:
Tim brings a wide experience, particularly in financial services and investment management. His previous financial experience during his executive career informs him in his role as the Chairman of the Audit Committee.

Other Appointments:
Tim is currently a Non-Executive Director for Henderson Global Investors Limited and Henderson Group Holdings Asset Management Limited. He is also Vice-Chair of the Board of Trustees of Blood Cancer UK.

All directors are independent of the manager and are members of the Audit Committee.

Managers

MARCUS PHAYRE-MUDGE

***Marcus Phayre-Mudge**, Fund Manager, joined the* Management team for the Company at Henderson Global Investors in January 1997, initially managing the Company's direct property portfolio and latterly focusing on real estate equities, managing a number of UK and Pan European real estate equity funds in addition to activities in the Trust. Marcus moved to Thames River Capital in October 2004 where he is also fund manager of Thames River Property Growth & Income Fund Limited. Prior to joining Henderson, Marcus was an investment surveyor at Knight Frank (1990) and was made an Associate Partner in the fund management division (1995). He qualified as a Chartered Surveyor in 1992 and has a BSc (Hons) in Land Management from Reading University.

JO ELLIOTT

***Jo Elliott**, Finance Manager, has been Finance Manager* since 1995, first at Henderson Global Investors then, since January 2005, at Thames River Capital, when she joined as CFO for the property team. She joined Henderson Global Investors in 1995, where she most recently held the position of Director of Property, Finance & Operations, Europe. Previously she was Corporate Finance Manager with London and Edinburgh Trust plc and prior to that was an investment/treasury analyst with Heron Corporation plc. Jo has a BSc (Hons) in Zoology from the University of Nottingham and qualified as a Chartered Accountant with Ernst & Young in 1988. Jo is a Non-Executive Director and Audit Committee Chair of Polar Capital Global Financials Trust plc.

GEORGE GAY

George Gay, Direct Property Fund Manager, has been the Direct Property Fund Manager since 2008. He joined Thames River Capital in 2005 as assistant direct property manager and qualified as a Chartered Surveyor in 2006. George was previously at niche City investment agent, Morgan Pepper where as an investment graduate he gained considerable industry experience. He has an MA in Property Valuation and Law from City University.

ALBAN LHONNEUR

Alban Lhonneur, Deputy Fund Manager, joined Thames River Capital in August 2008. He was previously at Citigroup Global Markets as an Equity Research analyst focusing on Continental European Real Estate. Prior to that he was at Societe Generale Securities, where he focused on transport equity research. He has a BSc in Business and Management from the ESC Toulouse including one year at the Brunel University, London. He also attended CERAM Nice High Business School. In 2005 he obtained a post-graduate Specialised Master in Finance in 2005 from ESCP-EAP.

Report of the Directors

The Directors present the audited financial statements of the Group and the Company and their Strategic Report and Report of Directors for the year ended 31 March 2021. The Group comprises TR Property Investment Trust plc and its wholly owned subsidiaries. As permitted by legislation, some matters normally included in the Report of the Directors have been included in the Strategic Report because the Board considers them to be of strategic importance. Therefore, the review of the business of the Company, recent events and outlook can be found on pages 4 to 35.

STATUS

The Company is an investment company, as defined in Section 833 of the Companies Act 2006 and operates as an investment trust in accordance with Section 1158 of the Corporation Tax Act 2010.

The Company has a single share class, Ordinary shares, with a nominal value of 25p each which are premium listed on the London Stock Exchange.

The Company has received confirmation from HM Revenue & Customs that the Company has been accepted as an approved investment trust for accounting periods commencing on or after 1 April 2012 subject to the Company continuing to meet the eligibility conditions of Section 1158 Corporation Tax Act 2010 and the ongoing requirements for approved companies in Chapter 3 of Part 2 Investment Trust (Approved Company) (Tax) Regulations 2011 (Statutory Instrument 2011/2999).

The Directors are of the opinion that the Company has conducted and will continue to conduct its affairs so as to maintain investment trust status. The Company has also conducted its affairs, and will continue to conduct its affairs, in such a way as to comply with the Individual Savings Accounts Regulations. The Ordinary shares can be held in Individual Savings Accounts (ISAs).

RESULTS AND DIVIDENDS

At 31 March 2021 the net assets of the Company amounted to £1,326 million (2020: £1,136 million), on a per share basis 417.97p (2020: 358.11p) per share.

Revenue earnings per share for the year amounted to 12.25p (2020: 14.62p) and the Directors recommend the payment of a final dividend of 9.00p (2020: 8.80p) per share bringing the total dividend for the year to 14.20p (2019: 14.00p). In arriving at their dividend proposal, the Board also reviewed the income forecasts for the year to March 2022.

Performance details are set out in the Financial Highlights on page 2 and the outcome of what the Directors consider to be the Key Performance Indicators on pages 26 and 27. The Chairman's Statement and the Manager's Report give full details and analysis of the results for the year.

SHARE CAPITAL AND BUY-BACK ACTIVITY

At 31 March 2021 the Company had 317,350,980 (2020: 317,350,980) Ordinary shares in issue.

At the AGM in 2020 the Directors were given power to buy back 47,570,911 Ordinary shares. Since this AGM the Directors have not bought back any Ordinary shares at the nominal value of 25p each under this authority. The outstanding authority is therefore 47,570,911 shares.

This authority will expire at the 2021 AGM. The Company will seek to renew the power to make market purchases of Ordinary shares at this year's AGM.

Since 1 April 2021 to the date of this report, the Company has made no market purchases for cancellation. The Board has not set a specific discount at which shares will be repurchased.

MANAGEMENT ARRANGEMENTS AND FEES

Details of the management arrangements and fees are set out in the Report of the Management Engagement Committee beginning on page 53. Total fees paid to the Manager in any one year (Management and Performance Fees) may not exceed 4.99% of Group Equity Shareholders' Funds. Total fees payable for the year to 31 March 2021 amount to 1.2% (2020: 0.8%) of Group Equity Shareholders' Funds. Included in this were performance fees earned in the year ended 31 March 2021 of £9,659,000 (2020: £2,683,000).

BASIS OF ACCOUNTING AND IFRS

The Group and Company financial statements for the year ended 31 March 2021 have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee (IASC) that remain in effect, to the extent that they have been adopted by the European Union and as regards the Group and Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

The accounting policies are set out in note 1 to the Financial Statements on pages 73 to 77.

FINANCIAL INSTRUMENTS

The Company's Financial Instruments comprise its investment portfolio, cash balances, borrowings and debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement, profit or loss balances on derivative instruments and accrued income and expenses. The financial risk management objectives and policies arising from its financial instruments and exposure of the Company to risk are disclosed in note 11 to the financial statements.

GOING CONCERN

The Directors' assessment of the longer-term viability of the Company is set out on pages 33 and 34.

In assessing Going Concern, the Board has made a detailed assessment of the ability of the Company and Group to meet its liabilities as they fall due, including stress and liquidity tests which considered the effects of substantial falls in investment valuations, substantial reductions in revenue received and reductions in market liquidity including the effects and potential effects of the continued economic impact caused by the Coronavirus pandemic. The Board is satisfied with the operational resilience of service providers despite COVID-19 and continues to monitor their performance throughout the pandemic.

In light of testing carried out, the overall levels of the investment liquidity held by the Company and the significant net asset portfolio position, and despite the small net current liability position of the Parent Company and Group, the Directors are satisfied that the Company and the Group have adequate financial resources to continue in operation for at least the next 12 months following the signing of the financial statements and therefore it is appropriate to adopt the going concern basis of accounting.

INTERNAL CONTROLS

The Board has overall responsibility for the Group's systems of internal controls and for reviewing their effectiveness. The Portfolio Manager is responsible for the day to day investment management decisions on behalf of the Group. Accounting and company secretarial services have both been outsourced.

The internal controls aim to ensure that the assets of the Group are safeguarded, proper accounting records are maintained, and the financial information used within the business and for publication is reliable. Control of the risks identified, covering financial, operational, compliance and risk management, is embedded in the controls of the Group by a series of regular investment performance and attribution statements, financial and risk analyses, AIFM and Portfolio Manager reports and quarterly control reports. Key risks have been identified and controls put in place to mitigate them, including those not directly the responsibility of the AIFM or Portfolio Manager. The key risks are explained in more detail in the Strategic Report on pages 28 to 32.

The effectiveness of each third party provider's internal controls is assessed on a continuing basis by the Compliance and Risk departments of the AIFM and Portfolio Manager, the Administrator and the Company Secretary. Each maintains its own system of internal controls, and the Board and Audit Committee receive regular reports from them. The control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage, rather than eliminate, risk of failure to achieve objectives.

As the Company has no employees and its operational functions are undertaken by third parties, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function. Instead, the Audit Committee relies on internal control reports received from its principal service providers to satisfy itself as to the controls in place.

The Board has established a process for identifying, evaluating and managing any major risks faced by the Group. The Board undertakes an annual review of the Group's system of internal controls in line with the Turnbull guidance. Business risks have also been analysed by the Board and recorded in a risk map that is reviewed regularly. Each quarter the Board receives a formal report from each of the AIFM, Portfolio Manager, the Administrator and the Company Secretary detailing the steps taken to monitor the areas of risk, including those that are not directly their responsibility, and which report the details of any known internal control failures.

The Board also considers the flow of information and the interaction between the third party service providers and the controls in place to ensure accuracy and completeness of the recording of assets and income. The Board receives a report from the Portfolio Manager setting out the key controls in operation.

The Board also has direct access to company secretarial advice and services provided by Link Company Matters which, through its nominated representative, is responsible for ensuring that the Board and Committee procedures are followed and that applicable regulations are complied with.

These controls have been in place throughout the period under review and up to the date of signing the accounts.

Key risks identified by the Auditors are considered by the Audit Committee to ensure robust internal controls and monitoring procedures are in place in respect of these risks on an ongoing basis.

ANNUAL GENERAL MEETING (THE "AGM")

The AGM will be held on 27 July 2021 at 2.30pm at the Royal Automobile Club, 89/91 Pall Mall, London SW1Y 5HS. The Notice of AGM is set out on pages 100 and 101. The full text of the resolutions and an explanation of each is contained in the Notice of AGM and explanatory notes on pages 104 to 107.

MATERIAL INTERESTS

There were no contracts subsisting during or at the end of the year in which a director of the Company is or was materially interested and which is or was significant in relation to the Company's business. No Director has a contract of service with the Company. Further details regarding the appointment letters can be found on page 52.

DONATIONS

The Company made no political or charitable donations during the year (2020: £nil).

LISTING RULE DISCLOSURE

The Company confirms that there are no items which require disclosure under Listing Rule 9.8.4R in respect of the year ended 31 March 2021.

VOTING INTERESTS

Rights and Obligations Attaching to Shares

Subject to applicable statutes and other shareholders' rights, shares may be issued with such rights and restrictions as the Company may by ordinary resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board may decide. Subject to the Articles, the Companies Act 2006 and other shareholders' rights, unissued shares are at the disposal of the Board.

Voting

At a general meeting of the Company, when voting is undertaken by way of a poll, each share affords its owner one vote.

Restrictions on Voting

No member shall be entitled to vote if he has been served with a restriction notice (as defined in the Articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Companies Act 2006.

Deadlines for Voting Rights

Votes are exercisable at the general meeting of the Company in respect of which the business being voted upon is being heard. Votes may be exercised in person, by proxy, or in relation to corporate members, by corporate representatives.

The Articles provide a deadline for submission of proxy forms of not less than 48 hours (or such shorter time as the Board may determine) before the meeting (not excluding non-working days).

Transfer of Shares

Any shares in the Company may be held in uncertificated form and, subject to the Articles, title to uncertificated shares may be transferred by means of a relevant system. Subject to the Articles, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve.

Significant Voting Rights

At 31 March 2021, no shareholders held over 3% of voting rights on a discretionary basis. However, at 31 March 2021 the following shareholders held over 3% of the voting rights on a non-discretionary basis:

Shareholder	% of Ordinary share voting rights*
Brewin Dolphin Ltd	11.1%
Retail Investors - UK	8.9%
Interactive Investor Share Dealing Services	7.4%
Rathbone Investment Management Ltd	5.1%
Hargreaves Lansdown Asset Management Ltd	5.1%
Quilter Cheviot Investment Management Ltd	3.9%
Investec Wealth & Investment Ltd	3.8%
Charles Stanley Group plc	3.0%

* See above for further information on the voting rights of Ordinary shares

Since 31 March 2021 to the date of this report, the Company has not been informed of any notifiable changes with respect to the Ordinary shares.

Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a General Meeting of the shareholders.

Amendments to the Articles of Association will be proposed at the 2021 AGM and further details are set out on page 106 to 107.

Corporate Governance

Full details are given in the Corporate Governance Report on pages 44 to 50. The Corporate Governance Report forms part of this Directors' Report.

Corporate Governance Report

The Board of Directors is accountable to shareholders for the governance of the Company's affairs.

This statement describes how the principles of the 2018 edition of UK Corporate Governance Code ("the Code") issued by the Financial Reporting Council (the "FRC") in 2018 have been applied to the affairs of the Company. The Code can be viewed at www.frc.org.uk.

Application of the AIC Code's Principles
In applying the principle of the Code, the Directors have also taken account of the 2019 Code of Corporate Governance published by the AIC (the "AIC Code"), of which the Company is a member. The AIC Code establishes the framework of best practice specifically for the Boards of investment trust companies. Furthermore, the AIC Code has full endorsement of the FRC, which means that AIC members who report against the AIC Code, on the whole, meet their obligations under the Code and the related disclosure requirements contained in the Listing Rules. The AIC Code can be viewed at www theaic co.uk.

The Directors believe that during the period under review they have complied with the main principles and relevant provisions of the Code, insofar as they apply to the Company's business, and with the provisions of the AIC Code.

Compliance Statement
The Directors note that the Company did not comply with the following provisions of the Code in the year ended 3' March 2021.

Provision 9. Due to the nature and structure of the Company the Board of non-executive directors does not feel it is appropriate to appoint a chief executive.

Provision 24. The Board believes that all Directors, including the Chairman, should sit on all of the Board's Committees.

Provision 26. As the Company has no employees and its operational functions are undertaken by third parties, the Audit Committee does not consider it appropriate for the Company to establish its own internal audit function. The Company's service providers provide assurance of their effective internal processes and controls.

Provision 32. The Board does not have a separate Remuneration Committee. The functions of a Remuneration Committee are carried out by the Management Engagement Committee.

Composition and Independence of the Board
The Board currently consists of five directors, all of whom are non-executive. The Board's independence, including that of the Chairman, has been considered and all of the Directors are deemed to be independent in character and have no relationships or circumstances which are likely to affect their judgement.

The Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that the length of a Director's tenure, in isolation, reduces his or her ability to act independently. The Board's policy on tenure is that continuity and experience add significantly to the strength of the Board although the Board believes in the merits of an ongoing and progressive refreshment of its composition.

Diversity
The Board recognises the benefit of diversity and as of the date of this report the Board consists of three men and two women.

Diversity is taken into account as part of the recruitment, appointment and succession planning process and the Board is also aware of the developing corporate governance with regard to ethnicity of individual Directors. The Board is committed to appointing the most appropriate candidate, regardless of gender or other forms of diversity and therefore no targets have been set against which to report.

Powers of the Directors
Subject to the Company's Articles of Association, the Companies Act 2006 and any directions given by special resolution, the business of the Company is managed by the Board who may exercise all the powers of the Company, whether relating to the management of the business of the Company or not. In particular, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge any of its undertakings, property, assets and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company to any third party.

There are no contracts or arrangements with third parties which affect, alter or terminate upon a change of control of the Company.

DIRECTORS

The Chairman is Mr Watson and the Senior Independent Director is Mr Marrison. Mr Watson succeeded Mr Seaborn as Chairman when he retired from the Board of Director following the AGM on 28 July 2020. Mr Marrison succeeded Mr Watson as the Senior Independent Director on this date. The Directors' biographies, on pages 38 and 39, demonstrate the breadth of investment, commercial and professional experience relevant to their positions as Directors of the Company.

Directors' retirement by rotation and re-election is subject to the Articles of Association. In accordance with the Code, all directors will be subject to annual re-election.

Ms Bolsover, Ms Curtis, Mr Gillbanks, Mr Marrison, Mr Watson will all retire at the forthcoming AGM in accordance with the Code and, being eligible, will offer themselves for re-election. All Directors are regarded as being free of any conflicts of interest and no issues in respect of independence arise. The Board has concluded that all Directors continue to make valuable contributions and believe that they remain independent in character and judgement.

Directors are not compensated by the Company for loss of office in an event of a takeover bid.

BOARD COMMITTEES

The Board has established an Audit Committee, a Nomination Committee and a Management Engagement Committee, which also carries out the functions of a Remuneration Committee. All the Directors of the Company are non-executive and serve on each Committee of the Board. It has been the Company's policy to include all Directors on all Committees. This encourages unity, clear communication and prevents duplication of discussion between the Board and the Committees.

The roles and responsibilities of each Committee are set out on the individual Committee reports which follow. Each Committee has written terms of reference which clearly define its responsibilities and duties. These can be found on the Company's website, are available on request and will also be available for inspection at the AGM.

GOVERNANCE

BOARD MEETINGS

The number of meetings of the Board and Committees held during the year under review, and the attendance of individual Directors, are shown below:

	Board		Audit		MEC		Nomination	
	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible
David Watson	6	6	2	2	1	1	1	1
Tim Gillbanks	6	6	2	2	1	1	1	1
Simon Marrison	6	6	2	2	1	1	1	1
Kate Bolsover	6	6	2	2	1	1	1	1
Sarah-Jane Curtis	6	6	2	2	1	1	1	1

In addition to formal Board and Committee meetings, the Directors also attend a number of informal meetings to represent the interests of the Company, and to discuss operational markets and succession planning.

THE BOARD

The Board is responsible for the effective stewardship of the Company's affairs. Certain strategic issues are monitored by the Board at meetings against a framework which has been agreed with the Manager. Additional meetings may be arranged as required. The Board has a formal schedule of matters specifically reserved for its decision, which are categorised under various headings, including strategy, management, structure, capital, financial reporting, internal controls, gearing, asset allocation, share price discount, contracts, investment policy, finance, risk, investment restrictions, performance, corporate governance and Board membership and appointments.

In order to enable them to discharge their responsibilities, all Directors have full and timely access to relevant information. At each meeting, the Board reviews the Company's investment performance and considers financial analyses and other reports of an operational nature. The Board monitors compliance with the Company's objectives and is responsible for setting asset allocation and investment and gearing limits within which the Portfolio Manager has discretion to act and thus supervises the management of the investment portfolio, which is contractually delegated to the Portfolio Manager.

The Board has responsibility for the approval of investments in unquoted investments and any investments in funds managed or advised by the Portfolio Manager. It has also adopted a procedure for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

CONFLICTS OF INTEREST

In line with the Companies Act 2006, the Board has the power to authorise any potential conflicts of interest that may arise and impose such limits or conditions as it thinks fit. A register of potential conflicts is maintained and is reviewed at every Board meeting to ensure all details are kept up-to-date. Appropriate authorisation will be sought prior to the appointment of any new Director or if any new conflicts arise.

RELATIONS WITH SHAREHOLDERS

Shareholder relations are given high priority by the Board, the AIFM and the Portfolio Manager. The prime medium by which the Company communicates with shareholders is through the Interim and Annual Reports which aim to provide shareholders with a clear understanding of the Company's activities and their results. This information is supplemented by the daily calculation of the Net Asset Value of the Company's Ordinary shares which is published on the London Stock Exchange.

This information is also available on the Company's website, www.trproperty.com together with a monthly factsheet and Manager commentary.

It is the intention of the Board that the Annual Report and Accounts and Notice of the AGM be issued to shareholders so as to provide at least twenty working days' notice of the AGM. Shareholders wishing to lodge questions in advance of the AGM, or to contact the Board at any other time, are invited to do so by writing to the Company Secretary at the registered address given on page 108.

General presentations are given to both shareholders and analysts following the publication of the annual results. All meetings between the Manager and shareholders are reported to the Board.

SECTION 172 COMPANIES ACT 2006

Section 172 of the Companies Act 2006 requires directors to act in good faith and in a way that is the most likely to promote the success of the Company. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, below, the Company explains how the Directors have discharged their duty under section 172 during the reporting period. Fulfilling this duty naturally supports the Company in achieving its Investment Objective and helps to ensure that all decisions are made in a responsible and sustainable way.

Upon appointment, Directors' are provided with a detailed induction outlining their duties, legally and regulatory, as a Director of a UK public limited company and continue to regularly receive relevant technical updates and training. Under their letter of appointment, the Directors also have access to the advice and services of the Company Secretary, and when deemed necessary, the Directors have the opportunity to seek independent professional advice in the furtherance of their duties as a director, at the Company's expense. The Company has a schedule of Matters Reserved for the Board which clearly describes the Board's duties and responsibilities. In addition, there are also the Terms of References of the Board's Committees which outline the responsibilities that are delegated from the Board. The Terms of References are reviewed at least annually to consider any regulatory and best practice developments.

DECISION MAKING

The importance of stakeholder considerations, in particular in the context of decision-making, is regularly brought to the Board's attention by the Company Secretary and taken into account at every Board meeting, and a paper reminding Directors of that is tabled at the start of every Board meeting. The Board considers the impact that any material decision will have on all relevant stakeholders to ensure that it is making a decision that promotes the long-term success of the Company, whether this be, for example, in relation to dividends, new investment opportunities or the Company's forward strategy, In addition, the Board, along with the Manager, hold a meeting focused on strategy on an annual basis to look ahead in the market and anticipate potential scenarios and how this may impact the Company's stakeholders.

STAKEHOLDERS

The Board recognises the needs and importance of the Company's stakeholders and ensures that they are considered during all its discussions and as part of its decision-making. Since the Company is an investment trust that is externally managed, the Company does not have any employees (the Directors have a Letter of Appointment and are not employees of the Company), nor does it have a direct impact on the community or environment in the conventional sense. The Board recognises its key stakeholders and explains below why these stakeholders are considered important to the Company and the actions taken to ensure that their interests are taken into account.

GOVERNANCE

Stakeholder Group and why they are important	Board engagement
Shareholders	
Shareholder support is essential to the existence of the Company and delivery of long term strategy of the business.	The Company has over 3,000 Shareholders, including institutional and retail investors. The Board is committed to maintaining open channels of communication and to engage with Shareholders in a manner they find most meaningful in order to gain an understanding of their views. These include the channels below: • **Annual General Meeting** - the Company welcomes and encourages attendance and participation from Shareholders at its AGM. Shareholders have the opportunity to meet the Directors and Manager and to address questions to them directly. The Manager attends the AGM and provides a presentation on the Company's performance and the future outlook. The Company values any feedback and questions it may receive from Shareholders ahead of and during the AGM and takes action or makes changes, when and as appropriate. • **Publications** - The annual and half year reports are made available on the website and sent to shareholders. These publications provide information on the Company and its portfolio of investments and a better understanding of the Trust's financial position. This is supplemented by daily publication of the NAV on the Stock Exchange and monthly factsheets on the Company's website. The Company is open to feedback from shareholders to improve its publications. • **Shareholder meetings** - The Manager meets with shareholders periodically and often and feedback is shared with the Board. • **Working with the Brokers** - The Manager and Brokers work together to maintain dialogue with shareholders and prospective investors at scheduled meetings. The Board is provided with regular updates at meetings and outside meetings if required. • **Shareholder concerns** - in the event that Shareholders wish to raise issues or concerns with the Board, they are welcome to do so at any time by writing to the Chairman at the registered office. The Senior Independent Director is also available to Shareholders if they have concerns that contact through the normal channel of the Chairman has failed to resolve or for which such contact is inappropriate.
The Manager	
Holding the Company's shares offers investors a liquid investment vehicle through which they can obtain exposure to the Company's diversified portfolio. The Investment Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective.	Maintaining a close and constructive working relationship with the Manager is crucial, as the Board and the Manager both aim to continue to achieve consistent, long-term returns in line with the Company's investment objective. Important components in the collaboration with the Manager, representative of the Company's culture include those listed below. • Encouraging open, honest and collaborative discussions at all levels, allowing time and space for original and innovative thinking. • Ensuring that the impact on the Manager is fully considered and understood before any business decision is made. • Ensuring that any potential conflicts of interest are avoided or managed effectively. The Board holds detailed discussions with the Manager on all key strategic and operational topics on an ongoing basis. In addition, the Chairman regularly meets with the Manager to ensure a close dialogue is maintained.

Stakeholder Group and why they are important	Board engagement
External Service Providers, particularly the Company Secretary, the Administrator, the Registrar and the Depository and the Broker	
A range of advisers enables the Company to function as an investment trust and a constituent of the FTSE 250 to ensure it meets its relevant obligations.	The Board maintains regular contact with its key external providers and receives regular reporting from them through the Board and committee meetings, as well as outside of the regular meeting cycle. Their advice, as well as their needs and views are routinely taken into account. The Management Engagement Committee formally assesses their performance, fees and continuing appointment at least annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the expected level of service. The Audit Committee reviews and evaluates the control environments in place at each service provider as appropriate.
Lenders	
Availability of funding and liquidity are crucial to the Company's ability to take advantage of investment opportunities as they arise.	The Board needs to demonstrate to lenders that it is a well-managed business, capable of consistently delivering long-term returns.
Regulators	
The Company can only operate with the approval of its regulators who have a legitimate interest in how the Company operates in the market and treats its shareholders.	The Board regularly considers how it meets various regulatory and statutory obligations and follows voluntary and best-practice guidance, including how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer-term.
Investee Companies	
Portfolio companies are ultimately shareholders assets and the Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy.	The Manager communicates regularly with portfolio companies and is an engaged shareholder (on behalf of the Company). The Board monitors the Manager's stewardship arrangements and receives regular feedback on meetings with the management of portfolio companies and voting at their general meetings.

The Board is always mindful of the requirement to act in the best interests of shareholders as a whole and to have regard to other applicable section 172 factors which form part of Board's decision-making process. The following key decisions taken by the Board during the year ended 31 March 2021 are examples of this:

GEARING

During the financial year, the Company continued to utilise its existing revolving annual loan facilities and following a review of the available options each were renewed on broadly similar terms as the renewals fell due throughout the year. The Board is keen to maintain a wide range of banking relationships to ensure that it has access to a diverse range of terms and is not reliant on any one provider. The facilities provide flexibility and complement the longer-term private placement fixed term debt that is in place.

Using revenue reserves to support the dividends paid to shareholders

Subject to shareholder approval of the proposed final dividend, the Company paid a total dividend of 14.20p for the financial year, representing an increase of 1.40% compared to the previous year. The financial year was a period of uncertainty, when many companies, particularly within the UK and Europe, either cut, postponed or cancelled their dividends. The Board recognises the importance of dividends to shareholders and after careful review of the Company's revenue forecasts and reserves together with the investment outlook with the Manager, the Board decided that, notwithstanding the exceptional market conditions, it would draw on the revenue reserve to support the dividend.

PORTFOLIO MANAGEMENT

During the year the Board continued to focus on the performance of the Manager in achieving the Company's investment objective within an appropriate risk framework. Following the emergence of the COVID-19 pandemic in March 2020, the focus widened to consider the potential impact of COVID-19 on the Company (including portfolio activity, risks and opportunities, gearing, revenue forecasts and the operations of other third party providers) to ensure that the portfolio had sufficient resilience together with the Company's operational structure to meet the unprecedented circumstances.

DIRECTORATE

The Board's policy on tenure was reviewed during the year. The stability of the Board during one of the most challenging periods was considered important particularly as appointments had been made to the Board in October 2019 and January 2020. Therefore, no changes were made to the Board composition during the financial year. However, the Board is mindful of the importance of having a suitable succession plan especially as David Watson has served on the Board since 2012 and Simon Marrison since 2011.

CULTURE AND BUSINESS CONDUCT

The Board is in agreement that having a good corporate culture, particularly in its engagement with the Manager, shareholders and other key stakeholders will aid delivery of its long term strategy. The Board promotes a culture of openness, in line with this purpose through ongoing engagement with its service providers and the Manager.

The Directors agree that establishing and maintaining a healthy corporate culture within the Board and in its interaction with the Manager, Shareholders and other stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, debate and integrity through ongoing dialogue and engagement with its service providers, principally the Manager. The Board strives to ensure that its culture is in line with the Company's purpose, values and strategy.

The Company has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to diversity, Directors' conflicts of interest and Directors' dealings in the Company's shares. The Board assesses and monitors compliance with these policies as well as the general culture of the Board regularly through Board meetings and in particular during the annual evaluation process which is undertaken by each Director (for more information see the Board evaluation section on page 51).

The Board seeks to appoint the best possible service providers and evaluates their service on a regular basis as described on page 53. The Board considers the culture of the Manager and other service providers, including their policies, practices and behaviour, through regular reporting from these stakeholders and in particular during the annual review of the performance and continuing appointment of all service providers.

EMPLOYEE, SOCIAL IMPACT AND WIDER COMMUNITY

The Board recognises the requirement under the Companies Act 2006 to detail information about human rights, employees and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements, practically, are not applicable to the Company as it has no employees, all the Directors are non-executive and it has outsourced all operational functions to third-party service providers. Therefore, the Company has not reported further in respect of these provisions.

DIRECTORS' INDEMNITY

Directors' and Officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the court.

To the extent permitted by law and by the Company's Articles of Association, the Company has entered into deeds of indemnity for the benefit of each Director of the Company in respect of liabilities which may attach to them in their capacity as Directors of the Company. These provisions, which are qualifying third party indemnity provisions as defined by section 234 of the Companies Act 2006, were introduced in January 2007 and currently remain in force.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' report are listed on pages 38 and 39. Having made enquiries of fellow directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By order of the Board

David Watson
Chairman

3 June 2021

Report of the Nomination Committee

NOMINATION COMMITTEE

Chairman: Mr Watson

KEY RESPONSIBILITIES

- Review the Board and its Committees and make recommendations in relation to structure, size and composition, the balance of knowledge, experience and skill ranges;
- Consider succession planning and tenure policy and oversee the development of a diverse pipeline;
- Consider the re-election of Directors; and
- Review the outcome of the board evaluation process.

The Nomination Committee meets at least on an annual basis, and more frequently as and when required and last met in March 2021.

ACTIVITY DURING THE YEAR

The Committee discussed succession planning of the Board, the tenure and diversity policies.

The Committee annually reviews the size and structure of the Board and will continue to review succession planning and further recruitment and take into account the recommendations of external Board evaluations.

BOARD EVALUATION

Following the engagement of Tim Stephenson of Stephenson & Co, to facilitate an independent evaluation of the effectiveness of the Board, its committees and the performance of each director for the year ended 31 March 2020. The annual evaluation for the year ended 31 March 2021 was carried out by the Company. This took the form of questionnaires followed by discussions to identify the effectiveness of the Board's activities, including its Committees.

The Chairman also reviewed with each Director their individual performance, contribution and commitment. The appraisal of the Chairman followed the same format and was led by Simon Marrison. The results of the evaluation process were presented to and considered by the Board. There were no significant actions arising from the evaluation process and it was agreed that the current composition of the Board and its Committees reflected a suitable mix of skills and experience, and that the Board as a whole, the individual Directors and its Committees were functioning effectively.

After careful consideration, particularly of the Board's Policy Governing Board Members' Tenure and Reappointment, all of the directors, will be offering themselves for re-election at the forthcoming AGM. It is considered that each of them merit re-election by shareholders. Further information on each directors' skills and their contribution to the Board are outlined in the directors' biographies on pages 38 and 39.

In accordance with the provisions of the Code, it is the intention of the Board to engage an external facilitator to assist with the performance evaluation every three years and the next external evaluation will be carried out for the year ended 31 March 2023. The Board will continue to complete an internal board evaluation annually within the intervening years.

BOARD'S POLICY ON TENURE

In line with the update of the Code in 2018, the AIC has updated its Code of Corporate Governance in 2019. The AIC recommended, under Provision 24, a different approach to tenure in relation to investment companies, considering how they differ to chairs of operating companies, where the Board does not have a chief executive. The Board took into consideration the approach and introduced the 'Policy Governing Board Members' Tenure and Reappointment'. This policy outlines the Company's approach to tenure and reappointment of non-executive directors. It highlights the Board's belief that the value brought through continuity and experience of Directors with longer periods of service is not only desirable, but essential in an investment company. The Board did not feel that it would be appropriate to set a specific tenure limit for individual Directors or the Chairman of the Board or its committees. Instead, the Board will seek to recruit a new Director on average every three years so as regularly to bring the challenge of fresh thinking into the Board's discussions, ensuring that on each occasion that the Board enters into new investment commitments, at least half the Board members have direct personal experience of negotiating previous commitments with the Manager.

DIRECTORS' TRAINING

When a new Director is appointed, he/she is offered training to suit their needs. Directors are also provided with key information on the Company's activities on a regular basis, including regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors ensure that they are updated on regulatory, statutory and industry matters.

LETTERS OF APPOINTMENT

No Director has a contract of employment with the Company. Directors' terms and conditions for appointment are set out in letters of appointment which are available for inspection at the registered office of the Company and will be on display at the AGM.

David Watson
Chairman of the Nomination Committee

3 June 2021

Report of the Management Engagement Committee

MANAGEMENT ENGAGEMENT COMMITTEE

Chairman: Mr Watson

KEY RESPONSIBILITIES

- Monitor and review the performance of the AIFM and Portfolio Manager;
- Review the terms of the Investment Manager Agreement;
- Annually review the contract of terms and agreements of each external third party service provider; and
- Review, on an annual basis, the remuneration of the Directors.

In addition to the Investment Management role, the Board has delegated to external third parties the depositary and custodial services (which include the safeguarding of assets), the day to day accounting, company secretarial services, administration and registration services. Each of these contracts was entered into after full and proper consideration of the quality of the services offered, including the control systems in operation insofar as they relate to the affairs of the Company. The Management Engagement Committee (the "MEC") determines and approves Directors' fees following proper consideration, having regard to the level of fees payable to non-executive Directors in the industry generally, the role that individual directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs. For further details please see the Directors' Remuneration Report on pages 55 to 57.

The MEC meets at least on an annual basis, towards the end of the financial year and last met in March 2021.

ACTIVITY DURING THE YEAR

At the MEC meeting in March 2021, the Committee reviewed the overall performance of the AIFM and Portfolio Manager and considered both the appropriateness of the Manager's appointment and the contractual arrangements (including the structure and level of remuneration) with the Manager.

In addition to the reviews by the MEC, the Board reviewed and considered performance reports from the Portfolio Manager at each Board meeting. The Board also received regular reports from the Administrator and Company Secretary.

The Board believe that the Manager's track record and performance remains outstanding. As a result, the MEC confirmed that the AIFM and Portfolio Manager should be retained for the financial year ending 31 March 2021 being in the best interests for all shareholders. A summary of the significant terms of the Investment Management Agreement and the third party service providers who support the Trust are set out below.

During the year the MEC also reviewed the performance of all their third party service providers including BNP Paribas, Link Company Matters, Computershare, both the Company's brokers and PwC (as tax advisors). The Portfolio Manager provides regular updates on the performance of all third party providers during the year and attended this part of the MEC Meeting. The MEC confirmed that they were satisfied with the level of services delivered by each third party provider.

MANAGEMENT ARRANGEMENTS AND FEES

On 11 July 2014, the Board appointed BMO Investment Business Limited as the Alternative Investment Fund Manager (in accordance with the Alternative Investment Fund Managers Directive) with portfolio management delegated to the Investment Manager, Thames River Capital LLP.

The significant terms of the Investment Management Agreement with the Manager are as follows:

On 12 April 2021 BMO announced that it had reached an agreement to sell its asset management business in Europe, the Middle East and Africa, which will, subject to completion, become part of Columbia Threadneedle Investments, the global asset management business of Ameriprise Financial, Inc. Details have not yet been finalised and published but both companies have confirmed the importance of maintaining the stability and continuity of the teams which presently support our company. The transaction is expected to close near the end of the calendar year.

NOTICE PERIOD

The Investment Management Agreement ("IMA") provides for termination of the agreement by either party without compensation on the provision of not less than 12 months' written notice.

MANAGEMENT FEES

The fee for the period under review was a fixed fee of £3,745,000 plus an ad valorem fee of 0.20% pa based on the net asset value (determined in accordance with the AIC method of valuation) on the last day of March, June, September and December, payable quarterly in advance.

The fee arrangements have been reviewed by the Board for the year to 31 March 2022 and the fixed element of the fee and the ad valorem rate will remain unchanged.

The Board continues to consider that the fee structure aligns the interests of the shareholder and the Manager as well as being highly competitive.

The fee arrangements will continue to be reviewed on an annual basis.

PERFORMANCE FEES

In addition to the management fees, the Board has agreed to pay the Manager performance related fees in respect of an accounting period if certain performance objectives are achieved.

A performance fee is payable if the total return of adjusted net assets (after deduction of all Base Management Fees and other expenses), as defined in the IMA, at 31 March each year outperforms the total return of the Company's benchmark plus 1% (the "hurdle rate"); this outperformance (expressed as a percentage) is known as the "percentage outperformance". Any fee payable will be the amount equivalent to the adjusted net assets at 31 March each year multiplied by the percentage outperformance, then multiplied by 15%. The maximum performance fee payable for a period is capped at 1.5% of the adjusted net assets. However, if the adjusted net assets at the end of any period are less than at the beginning of the period, the maximum performance fee payable will be limited to 1% of the adjusted net assets.

If the total return of shareholders' funds for any performance period is less than the benchmark for the relevant performance period, such underperformance (expressed as a percentage) will be carried forward to future performance periods.

If any fee exceeds the cap, such excess performance (expressed as a percentage) will be carried forward and applied to offset any percentage underperformance in future performance periods. In the event that the benchmark is exceeded but the hurdle is not, that outperformance of the benchmark can be used to offset past or future underperformance. These amounts can be used for offset purposes only and therefore cannot have the effect of creating a fee in a year where a fee would not otherwise be payable or increasing the fee in that year. At 31 March 2021 there is a carry forward of outperformance of 1.8% (2020: 1.8%).

No fee will be payable unless the adjusted net assets outperform the hurdle rate, after taking into account any accumulated percentage underperformance brought forward at the beginning of the financial year. Performance fees earned in the year ended 31 March 2021 were £9,659,000 (2020: £2,683,000). Total fees paid to the Manager in any one year (Management and Performance Fees) may not exceed 4.99% of Group Equity Shareholders' Funds. Total fees payable for the year to 31 March 2021 amount to 1.2% (2020: 0.8%) of Group Equity Shareholders' Funds.

DEPOSITARY ARRANGEMENTS AND FEES

BNP Paribas was appointed as Depositary on 14 July 2014 in accordance with the AIFMD. The Depositary's responsibilities include: cash monitoring; segregation and safe keeping of the Company's financial instruments; and monitoring the Company's compliance with investment and leverage requirements. The Depositary receives for its services a fee of 2.0 basis points per annum on the first £150 million of the Company's assets, 1.4 basis points per annum on assets above £150 million and below £500 million and 0.75 basis points on assets above £500 million.

REVIEW OF THIRD PARTY PROVIDERS' FEES

Custody and Administration Services are provided by BNP Paribas and Company Secretarial Services by Link Company Matters. The fees for these services are charged directly to the Company and are contained within other administrative expenses disclosed in notes to the accounts.

David Watson
Chairman of the Management Engagement Committee
3 June 2021

Directors' Remuneration Report

INTRODUCTION

The Board has prepared this report and the Directors' Remuneration Policy, in accordance with the requirements of Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2013. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's Auditors, KPMG LLP, to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the 'Independent Auditor's Report'.

ANNUAL STATEMENT FROM THE CHAIRMAN OF THE COMMITTEE

The MEC met in March 2021 and considered the results and feedback from the board evaluation alongside other factors. The MEC also considered the frequency of remuneration increases for the Trust, feedback from the market and investors on the level of frequency and the current impact of the outbreak of coronavirus (COVID-19).

Following the MEC meeting in March 2021, it was agreed that the current level of remuneration for the Board of the Trust remained appropriate. It was also agreed that the Non-executive Director's fee would remain at £35,000 per annum with effect from 1 April 2021. It was further agreed that the Directors holding the role of the Audit Committee Chairman and Senior Independent Director would continue to receive an additional £5,000 to reflect the increase in their responsibilities. Moreover, it was agreed that the Chairman's remuneration would remain at £70,000.

DIRECTORS' REMUNERATION POLICY

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors and should be sufficient to enable candidates of high calibre to be recruited. The policy is for the Chairman of the Board, the chairman of the Audit Committee and the Senior Independent Director to be paid higher fees than the other Directors in recognition of their more onerous roles. This policy was approved by the members at the 2020 AGM, and the Directors' intention is that this will continue for the year ending 31 March 2023.

The Directors are remunerated in the form of fees, payable monthly in arrears, to the Director personally or to a third party specified by that Director. There are no long-term incentive schemes, share option schemes or pension arrangements and the fees are not specifically related to the Directors' performance, either individually or collectively.

The Board consists entirely of Non-executive Directors, who are appointed with the expectation that they will serve for a period of three years. Directors' appointments are reviewed formally every three years thereafter by the Board as a whole. None of the Directors have a contract of service and a Director may resign by notice in writing to the Board at any time; there are no notice periods. The terms of their appointment are detailed in a letter to them when they join the Board. As the Directors do not have service contracts, the Company does not have a policy on termination payments.

There is no notice period and no payments for loss of office were made during the period. The Company's Articles of Association currently limit the total aggregate fees payable to the Board to £300,000 per annum.

Shareholders' views in respect of Directors' remuneration are communicated at the Company's AGM and are taken into account in formulating the Directors remuneration policy. At the last AGM, over 99.6% of shareholders voted for the resolution approving the Directors' Remuneration Report (0.4% against). At the 2020 AGM, over 99% voted for the resolution approving the Directors' Remuneration Policy (0.4% against), showing significant shareholder support.

The components of the remuneration package for Non-executive Directors, which are comprised in the Directors' remuneration policy of the Company are set out below, with a description and approach to determination.

Remuneration Type			
Fixed Fees	**Additional Fees**	**Expenses Fees**	**Other**
The aggregate limit for the Fees for the Board as a whole is £300,000 per annum, in accordance to the Articles of Association, which is divided between the Directors as they may deem appropriate. Annual fees are set to reflect the experience of each board member and time commitment required by Board members to carry out their duties and is determined with reference to the appointment of Directors of similar investment companies.	Additional fees may be paid to any Director who fulfils the role of the Chairman, who chairs any committee of the Board or who is appointed as the Senior Independent Director. These fees will be set at a competitive level to reflect experience and time commitment.	The Directors are entitled to be paid all reasonable expenses properly incurred by them attending meetings with shareholders or other Directors or otherwise in connection with the discharge of their duties as Directors.	Board members are not eligible for bonuses, pension benefits, share options, long-term incentive schemed or other non-cash benefits or taxable expenses.

ANNUAL REMUNERATION REPORT

For the year ended 31 March 2021, Directors' fees were paid at the annual rates of Chairman: £70,000 (2020: £70,000) and all other directors: £35,000 (2020: £35,000). An additional £5,000 is paid per annum for each of the roles of Audit Committee Chairman and Senior Independent Director. The actual amounts paid to the Directors during the financial year under review are as shown below.

AMOUNT OF EACH DIRECTOR'S EMOLUMENTS (AUDITED)

The fees payable in respect of each of the Directors who served during the financial year were as follows:

	31 March 2021 £	31 March 2020 £
David Watson[1]	**60,461**	40,000
Simon Marrison[2]	**38,410**	35,000
Tim Gillbanks	**40,000**	40,000
Kate Bolsover	**35,000**	17,500
Sarah-Jane Curtis	**35,000**	6,372
Hugh-Seaborn[3]	**23,333**	70,000
Total	**232,204**	208,872

All fees are at a fixed rate and there is no variable remuneration Fees are pro-rated where a change takes place during a financial year There were no payments to third parties included in the fees referred to in the table above There are no further fees to disclose as the Company has no employees, chief executive or executive directors.

appointed as Chairman on 28 July 2020

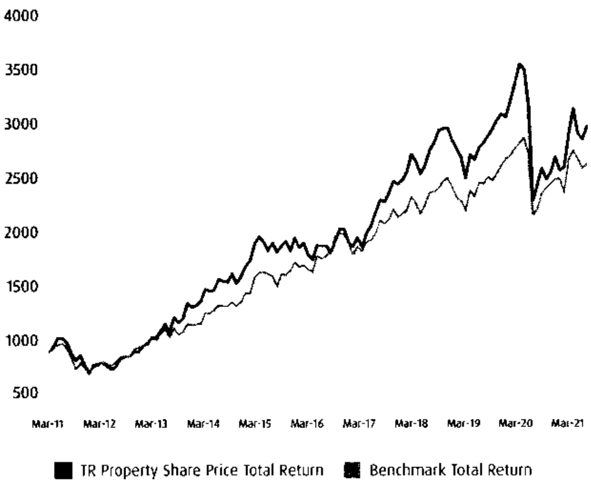
appointed as Senior Independent Director on 28 July 2020

retired as Chairman on 28 July 2020

COMPANY PERFORMANCE

The graph below compares, for the ten years ended 31 March 2021, the percentage change over each period in the share price total return to shareholders compared to the share price total return of benchmark, which the Board considers to be the most appropriate benchmark for investment performance measurement purposes. An explanation of the performance of the Company is given in the Chairman's Statement and Manager's Report.

Performance Graph – Share Price Total Return for Ordinary Share Class



Share Price Total Return assuming investment of £1,000 on 31 March 2011 and reinvestment of all dividends (excluding dealing expenses) (Source Thames River Capital)

Benchmark Total Return assuming notional investment into the index of £1000 on 31 March 2011 (Source: Thames River Capital)

DIRECTORS' INTERESTS IN SHARES (AUDITED)

The interests of the Directors in the shares of the Company, at the beginning and at the end of the year, or date of appointment, if later, were as follows:

	Ordinary shares of 25 pence	
	31 March 2021	31 March 2020
David Watson	**36,083**	35,692
Simon Marrison	**43,367**	42,326
Tim Gillbanks	**-**	-
Kate Bolsover	**2,360**	2,360
Sarah-Jane Curtis	**-**	-

Since 31 March 2021 to the date of this report, there have been no subsequent changes to the Directors' interests in the shares of the Company.

Relative Importance of Spend on Pay

	2021 £'000	2020 £'000	Change
Dividends paid	**44,429**	43,794	1.4%
Directors' fees	**232**	209	11.0%

Five year change comparison

Over the last five years, Directors' pay has increased as set out in the table below:

	2021 £'000	2016 £'000	Change
Chairman	**70,000**	70,000	0%
Audit Committee Chairman	**40,000**	35,000	14.3%
Senior Independent Director	**40,000**	35,000	14.3%
Director	**35,000**	30,000	16.7%

For and on behalf of the Board

David Watson
Chairman of the Management Engagement Committee
3 June 2021

GOVERNANCE

Report of the Audit Committee

AUDIT COMMITTEE

Chairman: Mr Gillbanks

KEY RESPONSIBILITIES

- Review the internal financial and non-financial controls;
- Review reports from key third party service providers;
- Consider and recommend to the Board for approval the contents of the draft Interim and Annual Reports;
- Review accounting policies and significant financial reporting judgements;
- Monitor, together with the Manager, the Company's compliance with financial reporting and regulatory requirements;
- The review and subsequent proposal to the Board of the interim and final dividends; and
- Considering the impact of providing non-audit services on the external Auditor's independence and objectivity.

Representatives of the Manager's internal audit and compliance departments may attend these committee meetings at the Committee Chairman's request.

Representatives of the Company's Auditor attend the Committee meetings at which the draft Interim and Annual Report and Accounts are reviewed, and are given the opportunity to speak to the Committee members without the presence of the representatives of the Manager.

The Board recognises the requirement for the Audit Committee as a whole to have competence relevant to the sector and at least one member with recent and relevant financial experience. The Chairman and Mr Watson are Chartered Accountants with extensive and recent experience in the Financial Services Industry. The other members of the Committee have a combination of property, financial, investment and business experience through senior positions held throughout their careers.

ACTIVITY DURING THE YEAR

During the year the Committee met twice with all members at each meeting and considered the following:

- Consideration of the Risk Map, any changes to the likelihood or impact of risks and consequential changes required to Board Monitoring and mitigation procedures. Consideration of any new or emerging risks and inclusion in the Risk Map if appropriate. This has included consideration of the ongoing COVID-19 pandemic and impact across a range of risk categories;
- The Group's Internal Controls and consideration of the Reports thereon;
- The ISAE/AAF and SSAE16 reports or their equivalent from BMO and BNP Paribas;
- Whether the Company should have its own internal audit function;
- The External Auditor's Planning Memorandum setting out the scope of the annual audit and proposed key areas of focus;
- The reports from the Auditors concerning their audit of the Financial Statements of the Company and Consideration of Significant issues in relation to the Financial Statements;
- The appropriateness of, and any changes to, the accounting policies of the Company, including the reasonableness of any judgements required by such policies;
- The Viability Statement and consideration of the preparation of the Financial Statements on a Going Concern Basis taking account of forward looking income forecasts, the liquidity of the investment portfolio and debt profile;
- The financial and other disclosures in the Financial Statements;
- The information presented in the Interim and Annual Reports to assess whether, taken as a whole, the Reports are fair, balanced and understandable and the information presented will enable the shareholders to assess the Company's position, performance, business model and strategy;
- The performance of the external auditors, to approve their audit fees and consider the assessment of independence;
- The review and subsequent proposal to the Board of the interim and final dividends; and
- The reviewal of the Committee's Terms of Reference, ensuring they remain appropriate and compliant with *the 2018 UK Corporate Governance Code*.

INTERNAL CONTROLS AND MANAGEMENT OF RISK

The Board has overall responsibility for the Group's system of Internal Controls and for reviewing their effectiveness. Key risks identified by the Auditors are considered by the Audit Committee to ensure that robust internal controls and monitoring procedures in respect of these are in place on an ongoing basis. Further details can be found on page 28 to 32.

The Audit Committee received and considered reports on Internal Controls from the key service providers. No areas of concern were highlighted.

The Company's Risk Map was considered to identify any new risks and whether any adjustments were required to existing risks, and the controls and mitigation measures in place in respect of these risks. The impact of COVID-19, the response of financial markets, the ongoing impact on economies around the world and operational changes made by our service providers in response to government guidelines were considered and the risk map adjusted accordingly.

Based on the processes and controls in place within the BMO Group and other significant service providers, the Board has concurred that there is no current need for the Company to have a dedicated internal audit function.

SIGNIFICANT ISSUES IN RELATION TO THE FINANCIAL STATEMENTS

The Committee has considered this report and financial statements and the Viability Statement on pages 33 and 34. The Committee considered the Auditor's assessment of risk of material misstatement and reviewed the internal controls in place in respect of the key areas identified and the process by which the Board monitors each of the procedures to give the Committee comfort on these risks on an ongoing basis. These risks are also highlighted in the Company's Risk Map.

- **Carrying amount of listed investments (Group and Parent Company)** – The Group's investments are priced for the daily NAV by BNP Paribas. The quoted assets are priced by the Administrator's Global Pricing Platform which uses independent external pricing sources. The control process surrounding this is set out in the BNP Paribas AAF 01/06 Internal Controls Report and testing by the reporting accountant for the period reported to 31 December 2020 did not reveal any significant exceptions. The quarterly control report to the Board from BNP Paribas covering the period up to 31 March 2021 had no significant issues to report. In addition the Manager estimates the NAV using an alternative pricing source on a daily basis as an independent check.

  The Auditors agreed 100% of the listed investments of the portfolio to externally quoted prices and independently received third party confirmations from investment custodians and found the carrying value of listed investments to be acceptable.

- **Valuation of Direct Property Investments (Group and Parent Company)** – The physical property portfolio is valued every six months by professional independent valuers.

  Knight Frank LLP value the portfolio on the basis of Fair Value in accordance with the RICS Valuation – Professional Standards VPS4 (1.5) Fair Value and VPGA 1 Valuations for Inclusion in Financial Statements, which apply the definition of Fair Value adopted by the International Financial Reporting Standards. IFRS 13 defines Fair Value as:

  "The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

  In undertaking their valuation of each property, Knight Frank make their assessment on the basis of a collation and analysis of appropriate comparable investments, rental and sale transactions, together with evidence of demand within the vicinity of each property. This information is then applied to the properties, taking into account size, location, terms, covenant and other material factors.

  The board has reviewed reports from the Manager and the external valuer and determined the valuation to be reasonable.

  The Auditors have set out their detailed testing and procedures in respect of the Direct property valuation and concluded that they found the Company's valuation of investment properties to be acceptable.

There has been nothing brought to the Committee's attention in respect of the financial statements for the year ended 31 March 2021, which was material or significant or that the Committee felt should be brought to shareholders' attention.

GOVERNANCE

AUDITOR ASSESSMENT AND INDEPENDENCE

The Company's external auditor, KPMG LLP was appointed as the Company's auditors at the 2016 AGM. The Committee expects to repeat a tender process no later than 2026 in respect of the audit for the following 31 March year end, in line with the latest Corporate Governance provisions.

During the year, KPMG presented their Audit Plan for the year end at the interim Committee meeting and the Committee considered the audit process and fee proposal. The Committee also reviewed KPMG's independence policies and procedures including quality assurance procedures. It was considered that these policies are fit for purpose and the Directors are satisfied that KPMG are independent.

Total fees payable to the Auditor in respect of the audit for the year to 31 March 2021 were: £80,000 (2020: £80,000), which were approved by the Audit Committee.

The Committee has approved and implemented a policy on the engagement of the Auditor to supply non-audit services, taking into account the recommendations of the Accounting Practices Board with a view to ensuring that the external Auditor does not provide non-audit services that have the potential to impair or appear to impair the independence of their audit role. In addition, the Committee reviewed the actions put in place by the Auditor to ensure there was a clear separation between audit and advisory services. The Committee does not believe there to be any impediment to the Auditor's objectivity and independence.

The fees for non-audit services for the year to 31 March 2021 were nil (2020: nil).

Full details of the Auditor's fees are provided in note 6 to the accounts on page 79.

The Board noted that Mr Kelly, the current partner, was appointed for the 2017 year-end audit and will continue as partner only until the conclusion of the 2021 year-end audit. Mr Merchant will replace Mr Kelly as audit partner for the 2022 year-end audit. Mr Merchant has considerable experience in the Financial Services sector and the audit of Investment Trust Companies.

Following each audit, the Committee reviews the audit process and considers its effectiveness and the quality of the services provided to the Company. Within this process, the Committee takes into consideration their own assessment, the self-evaluation of the auditor and the Audit Quality Review Report produced by the FRC in order to monitor the progress of the Auditor's performance comparable with its peer and the targets set by the FRC. The review following the completion of the 2020 Audit concluded that the Committee was satisfied with the Auditor's effectiveness and performance.

The Committee felt that KPMG had run an effective and efficient audit process with appropriate challenge. Subsequently, a resolution to re-appoint KPMG LLP as the Company's Auditor will be put to shareholders at the forthcoming AGM.

Tim Gillbanks
Chairman of the Audit Committee
3 June 2021

Statement of Directors' responsibilities in relation to the Group financial statements

The directors are responsible for preparing the Annual Report, the Strategic Report, the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the Parent Company financial statements on the same basis. In addition the Group financial statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

Each of the directors confirms that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Parent Company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

By order of the Board

David Watson
Chairman

3 June 2021

GOVERNANCE

KPMG

Independent auditor's report

to the members of TR Property Investment Trust plc

1. OUR OPINION IS UNMODIFIED

We have audited the financial statements of TR Property Investment Trust Plc ("the Company") for the year ended 31 March 2021 which comprise the Group Statement of Comprehensive Income, Group and Company Statements of Changes in Equity, Group and Company Balance Sheets, Group and Company Cash Flow Statements and the related notes, including the accounting policies in note 1.

In our opinion:

- The financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of the Group's return for the year then ended;
- The Group financial statements have been property prepared in accordance with UK-adopted international accounting standards;
- The Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation to the extent applicable.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

Overview		
Materiality: Financial statements *as a whole*	£14.9m (2020:£12.5m) 1% (2020: 1%) of Total Assets	
Key audit matters		**vs 2020**
Recurring risks	Valuation of direct property investments	◄►
	Carrying amount of listed investments	◄►

We were first appointed as auditor by the Directors on 2 November 2016. The period of total uninterrupted engagement is for the 5 financial years ended 31 March 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided

2. KEY AUDIT MATTERS: INCLUDING OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters (unchanged from 2020), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. *These matters were addressed, and our results are based on procedures undertaken, in the context of, and* solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of direct property investments **(Group and Parent Company)** (£83.1 million; 2020: £94.5 million) Refer to pages 58 to 60 (Audit Committee Report), page 74 and 75 (accounting policy), and note 10 on pages 82 to 85 (financial disclosures).	**Subjective valuation:** 5.6% (2020: 7.5%) of the Group's total assets (by value) are held in investment properties. The fair value of each property requires significant estimation, in particular with regard to the key estimated rental value and yield assumptions. The key assumptions will be impacted by a number of factors including quality and condition of the building and tenant covenant strength. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of investment properties has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 10) disclose the sensitivity estimated by the Group.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described: Our procedures included: — **Assessing valuer's credentials:** Using our own property valuation specialist, we evaluated the competence, experience and independence of the external valuer; — **Tests of Detail:** We compared the information provided by the Group to its external property valuer for a sample of properties, such as rental income and tenancy data to supporting documents including lease agreements; — **Methodology choice:** We held discussions with the Group's external property valuer to determine the valuation methodology used. We included our own property valuation specialist to assist us in critically assessing the results of the valuer's report by checking that the valuations were in accordance with the RICS Valuation Professional Standards 'the Red Book' and IFRS and that the methodology adopted was appropriate by reference to acceptable valuation practice; — **Benchmarking assumptions:** With the assistance of our own property valuation specialist, we held discussions with the Group's external property valuer to understand movements in property values. For a sample of properties, we assessed the key assumptions used by the valuer upon which the valuations are based, including those relating to estimated rental value and yield, by making a comparison to our own understanding of the market and to industry benchmarks; — **Assessing transparency:** We also considered the adequacy of the Group's disclosures about the degree of estimation and sensitivity to key assumption made when valuing the direct property investments. **Our results:** — We found the valuation of investment properties to be acceptable (2020: acceptable).

	The risk	Our response
Carrying amount of listed investments ***(Group and Parent)*** (£1,317.4 million; 2020: £1,060.1 million) Refer to pages 58 to 60 (Audit Committee Report), page 75 (accounting policy) and note 10 on pages 82 to 85 (financial disclosures).	**Low risk, high value:** The Group's portfolio of quoted level 1 investments makes up 88.2% (2020: 84.4%) of the Group's total assets (by value) and is one of the key drivers of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that detailed testing is determined to be the most effective manner of obtaining audit evidence Our procedures included: — **Test of detail:** Agreeing the valuation of 100%of level 1 listed investments in the portfolio to externally quoted prices; and — **Enquiry of custodians:** Agreeing 100% of level 1 listed investment holdings in the portfolio to independently received third party confirmations from investment custodians. **Our results** — We found the carrying amount of listed investments to be acceptable (2020: acceptable).

3. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality for the financial statements as a whole was set at £14.9m (2020: £12.5m), determined with reference to a benchmark of total assets, of which it represents 1.0% (2020: 1.0%).

Materiality for the Parent Company financial statements as a whole was at £14.1m (2020: 12.0m) determined as 0.9% of the total assets of the parent company (2020: 0 9%).

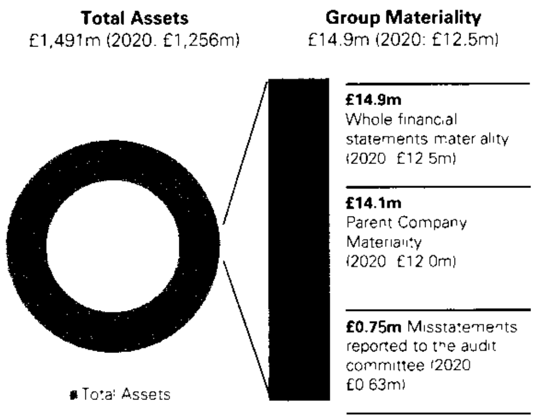
In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% (2019: 75%) of materiality for the financial statements as a whole, which equates to £11.1m (2020: £9.4m) for the Group and £10.5m (2020: £9.0m) for the Parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

In addition, we applied materiality of £2.0m (2020: £3.2m) and performance materiality of £1.5m (2020: £2.4m) to investment income, other operating income, gross rental income, service charge income and net returns on contract for differences for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the Company's members' assessment of the financial performance of the Company.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.75m (2020: £0.63m) in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

The audit team performed the audit of the Group as if it was a single aggregated set of financial information. This approach is unchanged from the prior year. The audit of the Group was performed using the Group materiality level set out above.



4. GOING CONCERN

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or Company or to cease its operations, and as they have concluded that the Group or Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group or Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group or Company's available financial resources and its ability to operate over this period were:

- The impact of a significant reduction in the valuation of investments and the implications for the Group or Company's debt covenants;
- The liquidity of the investment portfolio and its ability to meet the liabilities of the Group as and when they fall due; and
- The operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group or Company's current and projected cash and liquid investment position (and the results of their reverse stress testing).

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group or Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- The related statement under the Listing Rules set out on pages 41 and 42 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or Company will continue in operation.

5. FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Directors, the Administrator and the Group's Investment Manager; and
- Reading Board and Audit Committee minutes

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all

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material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transactions or additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and its qualification as an Investment Trust under UK taxation legislation, any breach of which could lead to the Group losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection, bribery and corruption legislation and certain aspects of company legislation recognising the financial nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. WE HAVE NOTHING TO REPORT ON THE OTHER INFORMATION IN THE ANNUAL REPORT

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report
In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability
We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Statement on pages 33 and 34 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability Statement, set out on pages 33 and 34 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate governance disclosures
We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

7. WE HAVE NOTHING TO REPORT ON THE OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8. RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 61, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

9. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Kelly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
15 Canada Square
London
E14 5GL

3 June 2021

Group Statement of Comprehensive Income

for the year ended 31 March 2021

	Notes	Year ended 31 March 2021			Year ended 31 March 2020		
		Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Income							
Investment income	2	36,557	-	36,557	47,112	-	47,112
Other operating income	4	67	-	67	35	-	35
Gross rental income	3	3,185	-	3,185	3,415	-	3,415
Service charge income	3	1,051		1,051	1,786		1,786
Gains/(losses) on investments held at fair value	10	-	196,582	196,582	-	(153,614)	(153,614)
Net movement on foreign exchange; investments and loan notes		-	(3,144)	(3,144)	-	11,296	11,296
Net movement on foreign exchange; cash and cash equivalents		-	(1,474)	(1,474)	-	302	302
Net returns on contracts for difference	10	3,320	17,978	21,298	5,724	(41,276)	(35,552)
Net return on total return swap	10	-	(188)	(188)	-	(3,808)	(3,808)
Total income		44,180	209,754	253,934	58,072	(187,100)	(129,028)
Expenses							
Management and performance fees	5	(1,556)	(14,328)	(15,884)	(1,570)	(7,392)	(8,962)
Direct property expenses, rent payable and service charge costs	3	(1,321)	-	(1,321)	(1,984)	-	(1,984)
Other administrative expenses	6	(1,231)	(604)	(1,835)	(1,398)	(615)	(2,013)
Total operating expenses		(4,108)	(14,932)	(19,040)	(4,952)	(8,007)	(12,959)
Operating profit/(loss)		40,072	194,822	234,894	53,120	(195,107)	(141,987)
Finance costs	7	(416)	(1,969)	(2,385)	(814)	(2,443)	(3,257)
Profit/(loss) from operations before tax		39,656	192,853	232,509	52,306	(197,550)	(145,244)
Taxation	8	(767)	2,667	1,900	(5,912)	3,149	(2,763)
Total comprehensive income		38,889	195,520	234,409	46,394	(194,401)	(148,007)
Earnings/(loss) per Ordinary share	9	12.25p	61.61p	73.86p	14.62p	(61.26)p	(46.64)p

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

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

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

The notes from pages 73 to 97 form part of these Financial Statements.

Group and Company Statement of Changes in Equity

GROUP

For the year ended 31 March 2021	Notes	Share Capital Ordinary £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Total £'000
At 31 March 2020		**79,338**	**43,162**	**43,971**	**969,982**	**1,136,453**
Total comprehensive income		**-**	**-**	**-**	**234,409**	**234,409**
Dividends paid	17	**-**	**-**	**-**	**(44,429)**	**(44,429)**
At 31 March 2021		**79,338**	**43,162**	**43,971**	**1,159,962**	**1,326,433**

COMPANY

For the year ended 31 March 2021	Notes	Share Capital Ordinary £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Total £'000
At 31 March 2020		**79,338**	**43,162**	**43,971**	**969,982**	**1,136,453**
Total comprehensive income		**-**	**-**	**-**	**234,409**	**234,409**
Dividends paid	17	**-**	**-**	**-**	**(44,429)**	**(44,429)**
At 31 March 2021		**79,338**	**43,162**	**43,971**	**1,159,962**	**1,326,433**

GROUP

For the year ended 31 March 2020	Notes	Share Capital Ordinary £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Total £'000
At 31 March 2019		79,338	43,162	43,971	1,161,783	1,328,254
Total comprehensive income		-	-	-	(148,007)	(148,007)
Dividends paid	17	-	-	-	(43,794)	(43,794)
At 31 March 2020		79,338	43,162	43,971	969,982	1,136,453

COMPANY

For the year ended 31 March 2020	Notes	Share Capital Ordinary £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings Ordinary £'000	Total £'000
At 31 March 2019		79,338	43,162	43,971	1,161,783	1,328,254
Total comprehensive income		-	-	-	(148,007)	(148,007)
Dividends paid	17	-	-	-	(43,794)	(43,794)
At 31 March 2020		79,338	43,162	43,971	969,982	1,136,453

The notes from pages 73 to 97 form part of these Financial Statements.

Group and Company Balance Sheets
as at 31 March 2021

	Notes	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Non-current assets					
Investments held at fair value	10	**1,400,516**	**1,400,516**	1,155,295	1,155,295
Investments in subsidiaries	10	**-**	**43,312**	-	50,429
		1,400,516	**1,443,828**	1,155,295	1,205,724
Deferred taxation asset	12	**686**	**686**	-	-
		1,401,202	**1,444,514**	1,155,295	1,205,724
Current assets					
Debtors	12	**60,990**	**60,520**	60,094	59,972
Cash and cash equivalents		**29,114**	**29,112**	40,129	40,127
		90,104	**89,632**	100,223	100,099
Current liabilities	13	**(107,280)**	**(150,120)**	(59,711)	(110,016)
Net current (liabilities)/assets		**(17,176)**	**(60,488)**	40,512	(9,917)
Total assets less current liabilities		**1,384,026**	**1,384,026**	1,195,807	1,195,807
Non-current liabilities	13	**(57,593)**	**(57,593)**	(59,354)	(59,354)
Net assets		**1,326,433**	**1,326,433**	1,136,453	1,136,453
Capital and reserves					
Called up share capital	14	**79,338**	**79,338**	79,338	79,338
Share premium account	15	**43,162**	**43,162**	43,162	43,162
Capital redemption reserve	15	**43,971**	**43,971**	43,971	43,971
Retained earnings	16	**1,159,962**	**1,159,962**	969,982	969,982
Equity shareholders' funds		**1,326,433**	**1,326,433**	1,136,453	1,136,453
Net Asset Value per:					
Ordinary share	19	**417.97p**	**417.97p**	358.11p	358.11p

These financial statements were approved by the directors of TR Property Investment Trust plc (Company No:84492) and authorised for issue on 3 June 2021.

D Watson
Director

The notes from pages 73 to 97 form part of these Financial Statements.

FINANCIAL STATEMENTS

Group and Company Cash Flow Statements

for the year ended 31 March 2021

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Reconciliation of profit/(loss) from operations before tax to net cash outflow from operating activities				
Profit/(loss) from operations before tax	**232,509**	**231,844**	(145,244)	(145,244)
Finance costs	**2,385**	**2,385**	3,257	3,257
(Gains)/losses on investments and derivatives held at fair value through profit or loss	**(214,372)**	**(207,255)**	198,698	198,711
Net movement on foreign exchange; cash and cash equivalents and loan notes	**(179)**	**(179)**	859	859
(Increase)/decrease in accrued income	**(102)**	**(102)**	584	584
Sales of investments	**353,167**	**353,167**	316,841	316,841
Purchases of investments	**(370,496)**	**(370,496)**	(383,674)	(383,674)
Decrease/(increase) in sales settlement debtor	**4,753**	**4,753**	(1,417)	(1,417)
(Decrease)/increase in purchase settlement creditor	**(5,781)**	**(5,781)**	4,501	4,501
(Increase)/decrease in other debtors	**(11,436)**	**(11,436)**	4,447	4,447
Increase/(decrease) in other creditors	**2,451**	**(4,001)**	2,047	2,034
Scrip dividends included in investment income and net returns on contracts for difference	**(8,489)**	**(8,489)**	(3,818)	(3,818)
Net cash outflow from operating activities before interest and taxation	**(15,590)**	**(15,590)**	(2,919)	(2,919)
Interest paid	**(2,607)**	**(2,607)**	(3,421)	(3,421)
Taxation paid	**(1,915)**	**(1,915)**	(2,321)	(2,321)
Net cash outflow from operating activities	**(20,112)**	**(20,112)**	(8,661)	(8,661)
Financing activities				
Equity dividends paid	**(44,429)**	**(44,429)**	(43,794)	(43,794)
Drawdown of loans	**55,000**	**55,000**	40,000	40,000
Net cash from/(used in) financing activities	**10,571**	**10,571**	(3,794)	(3,794)
Decrease in cash	**(9,541)**	**(9,541)**	(12,455)	(12,455)
Cash and cash equivalents at start of year	**40,129**	**40,127**	52,282	52,280
Net movement on foreign exchange; cash and cash equivalents	**(1,474)**	**(1,474)**	302	302
Cash and cash equivalents at end of year	**29,114**	**29,112**	40,129	40,127
Note				
Dividends received	**38,224**	**38,224**	52,003	52,003
Interest received	**45**	**45**	37	37

The notes from pages 73 to 97 form part of these Financial Statements.

Notes to the Financial Statements

1 ACCOUNTING POLICIES

The financial statements for the year ended 31 March 2021 have been prepared on a going concern basis, in accordance with International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in conformity with the requirements of the Companies Act 2006. The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP), "Financial Statements of Investment Trust Companies and Venture Capital Trusts," to the extent that it is consistent with IFRS.

In assessing Going Concern the Board has made a detailed assessment of the ability of the Company and the Group to meet its liabilities as they fall due, including stress and liquidity tests which considered the effects of substantial falls in investment valuations, substantial reductions in revenues received and reductions in market liquidity including the effects and potential effects of the current and likely ongoing economic impact caused by the Coronavirus pandemic. The Board is satisfied with the operational resilience of service providers despite COVID-19 and continues to monitor their performance throughout the pandemic.

In light of the testing carried out, the liquidity of the level 1 assets held by the Company and the significant net asset value position, and despite the net current liability position of the Group and Parent Company (which could be mitigated by the sale of liquid level 1 investments), the Directors are satisfied that the Company and Group have adequate financial resources to continue in operation for at least the next 12 months following the signing of the financial statements and therefore it is appropriate to adopt the going concern basis of accounting.

The Group and Company financial statements are expressed in Sterling, which is their functional and presentational currency. Sterling is the functional currency because it is the currency of the primary economic environment in which the Group operates. Values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

FINANCIAL STATEMENTS

Key estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement, both in application of accounting policies, which are set out below, and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on historical experience and other factors. However, actual results may differ from these estimates. The only key estimate is considered to be the valuation of investment properties. See section (f) of this note. There are not considered to be any key judgements.

a) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiaries to 31 March 2021. All the subsidiaries of the Company have been consolidated in these financial statements.

In accordance with IFRS10 the Company has been designated as an investment entity on the basis that:

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

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

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

b) Income

Dividends receivable on equity shares are treated as revenue for the year on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the year end are treated as revenue for the year. Provision is made for any dividends not expected to be received. Where the Group has elected to receive these dividends in the form of additional shares rather than cash the amount of cash dividend foregone is recognised as income. Differences between the value of shares received and the cash dividend foregone are recognised in the capital returns of the Group Statement of Comprehensive Income. The fixed returns on debt securities are recognised on a time apportionment basis so as to reflect the effective yield on each such security. Interest receivable from cash and short term deposits is accrued to the end of the year. Stock lending income is recognised on an accruals basis. Underwriting commission is taken to revenue, unless any shares underwritten are required to be taken up, in which case the proportionate commission received is deducted from the cost of the investment.

Recognition of property rental income is set out in section (f) of this note.

Recognition of income from contracts of difference is set out in section (g) of this note.

1 ACCOUNTING POLICIES *continued*

c) Expenses

All expenses and finance costs are accounted for on an accruals basis. An analysis of retained earnings broken down into revenue and capital items is given in note 16. In arriving at this breakdown, expenses have been presented as revenue items except as follows:

- Expenses which are incidental to the acquisition or disposal of an investment;
- Expenses are presented as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated, this includes irrecoverable VAT incurred on costs relating to the extension of residential leases as premiums received for extending or terminating leases are recognised in the capital account;
- One quarter of the base management fee is charged to revenue, with three quarters allocated to capital return to reflect the Board's expectations of long term investment returns. All performance fees are charged to capital return;
- The fund administration, depositary, custody and company secretarial services are charged directly to the Company and are included within 'Other administrative expenses' in note 6. These expenses are charged on the same basis as the base management fee; one quarter to income and three quarters to capital.

d) Finance costs

The finance cost in respect of capital instruments other than equity shares is calculated so as to give a constant rate of return on the outstanding balance. One quarter of the finance cost is charged to revenue and three quarters to capital return.

e) Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the Group Statement of Comprehensive Income.

The tax effect of different items of expenditure is allocated between capital and revenue using the Group's effective rate of tax for the year. The charge for taxation is based on the profit for the year and takes into account taxation deferred because of temporary differences between the treatment of certain items for taxation and accounting purposes.

In accordance with the recommendations of the SORP, the allocation method used to calculate tax relief on expenses presented against capital returns in the supplementary information in the Statement of Comprehensive Income is the "marginal basis". Under this basis, if taxable income is capable of being offset entirely by expenses presented in the revenue return column of the Statement of Comprehensive Income, then no tax relief is transferred to the capital column.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The Company is an investment trust under s.1158 of the Corporation Tax Act 2010 and, as such, is not liable for tax on capital gains. Capital gains arising in subsidiary companies are subject to capital gains tax.

f) Investment property

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. The purchase and sale of properties is recognised to be effected on the date unconditional contracts are exchanged.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in the Group Statement of Comprehensive Income in the year in which they arise.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in the Group Statement of Comprehensive Income in the year of disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset at the date of disposal.

Revaluation of investment properties

The Group carries its investment properties at fair value in accordance with IFRS 13, revalued twice a year, with changes in fair values being recognised in the Group Statement of Comprehensive Income. The Group engaged Knight Frank LLP as independent valuation specialists to determine fair value as at 31 March 2021.

1 ACCOUNTING POLICIES *continued*

Valuations of investment properties

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

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

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

In arriving at their estimates of fair values as at 31 March 2021, the valuers have used their market knowledge and professional judgement and have not only relied solely on historical transactional comparables. Examples of inputs to the valuation can be seen in the sensitivity analysis disclosed in note 10 (e).

Rental income

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements or other negotiated rent free periods agreed are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option. Premiums received to terminate or extend leases are recognised in the capital account of the Group Statement of Comprehensive Income when they arise.

Service charges and expenses recoverable from tenants

Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue as the directors consider that the Group acts as principal in this respect.

g) Investments

When a purchase or sale is made under contract, the terms of which require delivery within the timeframe of the relevant market, the investments concerned are recognised or derecognised on the trade date.

All the Group's investments are defined under IFRS as investments designated as fair value through profit or loss but are also described in these financial statements as investments held at fair value.

All investments are designated upon initial recognition as held at fair value, and are measured at subsequent reporting dates at fair value, which, for quoted investments, is deemed to be closing prices for stocks sourced from European stock exchanges and for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service covering most of the market including all the FTSE All -Share and the most liquid AIM constituents. Unquoted investments or investments for which there is only an inactive market are held at fair value which is based on valuations made by the directors in accordance with IPEVCA guidelines and using current market prices, trading conditions and the general economic climate.

In its financial statements the Company recognises the fair value of its investments in subsidiaries as being the adjusted net asset value. The subsidiaries have historically been holding vehicles for direct property investment or financing vehicles. No assets are currently held through the subsidiary structure and all financing instruments are directly held by the Company.

Changes in the fair value are recognised in the Group Statement of Comprehensive Income. On disposal, realised gains and losses are also recognised in the Group Statement of Comprehensive Income.

Derivatives

Derivatives are held at fair value based on traded prices. Gains and losses on derivative transactions are recognised in the Group Statement of Comprehensive Income. Gains and losses on CFDs and total return swaps resulting from movements in the price of the underlying stock are treated as capital. Dividends from the underlying investment and financing costs of CFDs and total return swaps are treated as revenue/capital expenses.

Gains and losses on forward currency contracts used for capital hedging purposes are treated as capital.

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

The sources of the returns under the derivative contract (e.g. notional dividends, financing costs, interest returns and capital changes) are allocated to the revenue and capital accounts in alignment with the nature of the underlying source of income and in accordance with the guidance given in the AIC SORP. Notional dividend income or expenses arising on long or short positions are apportioned wholly to the revenue account. Notional interest expense on long positions is apportioned between revenue and capital in accordance with the Board's long term expected returns of the Company (currently determined to be 25% to the

1 ACCOUNTING POLICIES *continued*

revenue account and 75% to capital reserves). Changes in value relating to underlying price movements of securities in relation to CFD exposures are allocated wholly to capital reserves.

h) Borrowings, loan notes and debentures

All loans and debentures are initially recognised at the fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest bearing loans and borrowings are subsequently measured at amortised cost.

Amortised cost is calculated by taking into account any discount or premium on settlement. The costs of arranging any interest bearing loans are capitalised and amortised over the life of the loan on an effective interest rate basis.

i) Foreign currency translation

Transactions involving foreign currencies are converted at the rate ruling at the date of the transaction.

Foreign currency monetary assets and liabilities are translated into Sterling at the rate ruling on the balance sheet date. Foreign exchange differences are recognised in the Group Statement of Comprehensive Income.

j) Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost and comprise cash in hand and demand deposits.

k) Dividends payable to shareholders

Interim dividends are recognised in the period in which they are paid and final dividends are recognised when approved by shareholders.

l) Adoption of new and revised Standards

Standards and Interpretations effective in the current period

The accounting policies adopted are consistent with those of the previous consolidated financial statements except as noted below.

IFRS 3 amendments. The amendments provided more guidance on the definition of a business to assist in determining whether a transaction results in an asset or a business acquisition. The amendments have not had an impact on the Group's financial statements.

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

Amendments to IAS 1 and IAS 8 - Definition of Material. The International Accounting Standards Board refined its definition of "material" and issued practical guidance on applying the concept of materiality. The amendments have not had a material impact on the Group's financial statements.

The Conceptual Framework for Financial Reporting. The Conceptual Framework is not a standard however its purpose is to outline a set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in understanding and interpreting the standards. The Framework has not had a material impact on the Group's financial statements.

Early adoption of standards and interpretations

The standards issued before the reporting date that become effective after 31 March 2021 are not expected to have a material effect on equity or profit for the subsequent period. The Group has not early adopted any new International Financial Reporting Standard or Interpretation. Standards, amendments and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below:

IAS 1 Amendments - Classification of Liabilities as Current or Non-Current (effective date amended to 1 January 2023). The amendments specify the requirements for classifying liabilities as current or non-current. The amendments are not expected to have a material impact on the Group's financial statements.

IAS 1 Amendments - Disclosure of Accounting Policies (effective 1 January 2023). The amendments require an entity to disclose its material accounting policy information instead of its significant accounting policies. The amendments contain guidance and examples on identifying material accounting policy information. The amendments are not expected to have a material impact on the Group's financial statements.

IAS 8 Amendments - Definition of Accounting Estimates (effective 1 January 2023) The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments also clarify the interaction between an accounting policy and an accounting estimate. The amendments are not expected to have a material impact on the Group's financial statements.

IAS 16 Amendments - Proceeds before Intended Use (effective 1 January 2022) The amendments intend to clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment into use. The amendments are not expected to have a material impact on the Group's financial statements.

1 ACCOUNTING POLICIES *continued*

IAS 37 Amendments – Onerous Contracts – Cost of fulfilling contract (effective 1 January 2022) The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendments are not expected to have a material impact on the Group's financial statements.

IAS 39, IFRS 4, 7, 9 and 16 Amendments – Interest Rate Benchmark Reform (Phase 2) (effective 1 January 2021) IBOR reform refers to the global reform of interest rate benchmarks which includes the replacement of some interbank offered rates (IBOR) with alternative benchmark rates. To ensure users of financial statements can understand the effect of the reform on a company's financial instruments and risk management strategy, additional information on the nature and extent of risks to which the company is exposed arising from financial instruments subject to IBOR reform is required. In addition, details of the company's progress in completing its transitions to alternative benchmark rates is required.

IAS 41, IFRS 1, 9 and 16 Amendments - Annual Improvements 2018-20 Cycle (effective 1 January 2022) The minor improvements, none of which will have a material impact on the Group's financial statements, to the standards noted were endorsed in September 2020.

IFRS 3 Amendments – Reference to the Conceptual Framework (effective 1 January 2022) The amendments require that for transactions within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination. In addition, IFRS 3 now contains a statement that an acquirer does not recognise contingent assets acquired in a business combination. The amendments are not expected to have a material impact on the Group's financial statements.

IFRS 4 Amendments – Extension of IFRS 9 Deferral (effective 1 January 2023) The option for companies whose business is the issuance of insurance contracts, to defer the effective date of IFRS 9 Financial Instruments has been extended. The amendment is not expected to have an impact on the Group's financial statements.

IFRS 16 Amendments – Covid-19 Related Rent Concessions (effective 1 April 2021) the May 2020 amendments, which introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of Covid-19, have been extended to lease payments originally due on or before 30 June 2022.

IFRS 17 – Insurance Contracts (effective 1 January 2023) IFRS 17 replaces IFRS 4 Insurance Contracts and contains several areas that are covered, including measurement of revenue, insurance performance, onerous contracts and disclosure. The standard is not expected to have an impact on the Group's financial statements.

IFRS 17 Amendments – Amendments to IFRS 17 (effective 1 January 2023) In June 2020, amendments to IFRS 17 were issued which are intended to make financial performance easier to explain and reduce compliance costs by simplifying some requirements in the standard. The amendments are not expected to have an impact on the Group's financial statements.

FINANCIAL STATEMENTS

2 INVESTMENT INCOME

	2021 £'000	2020 £'000
Dividends from UK listed investments	**3,753**	4,911
Dividends from overseas listed investments	**18,656**	26,631
Scrip dividends from listed investments	**7,482**	3,370
Property income distributions	**6,666**	12,200
	36,557	47,112

3 NET RENTAL INCOME

	2021 £'000	2020 £'000
Gross rental income	**3,185**	3,415
Service charge income	**1,051**	1,786
Direct property expenses, rent payable and service charge costs	**(1,321)**	(1,984)
	2,915	3,217

3 NET RENTAL INCOME *continued*

Operating leases

The Group has entered into commercial leases on its property portfolio. Commercial property leases typically have lease terms between 5 and 15 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

Future minimum rentals under non-cancellable operating leases as at 31 March are as follows:

	2021 £'000	2020 £'000
Within 1 year	**3,000**	2,950
After 1 year but not more than 5 years	**10,000**	10,100
More than 5 years	**19,000**	15,500
	32,000	28,550

4 OTHER OPERATING INCOME

	2021 £'000	2020 £'000
Interest receivable	**1**	32
Interest on refund of overseas withholding tax	**44**	3
Underwriting commission	**22**	-
	67	35

Underwriting is part of the process of introducing new securities to the market. The Company may participate in the underwriting of investee companies' securities, as one of a number of participants, for which compensation in the form of commission is received. The Company only participates in underwriting having assessed the risks involved and in securities in which it is prepared to increase its holding should that be the outcome. The commission earned is taken to revenue unless any securities underwritten are required to be taken up in which case the proportionate commission is deducted from the cost of the investment. During the year the Company participated in one (2020: nil) underwriting and all commission earned was taken to revenue and shown under Other operating income.

5 MANAGEMENT AND PERFORMANCE FEES

	2021 Revenue Return £'000	2021 Capital Return £'000	2021 Total £'000	2020 Revenue Return £'000	2020 Capital Return £'000	2020 Total £'000
Management fee	**1,556**	**4,669**	**6,225**	1,570	4,709	6,279
Performance fee	**–**	**9,659**	**9,659**	-	2,683	2,683
	1,556	**14,328**	**15,884**	1,570	7,392	8,962

A summary of the terms of the management agreement is given in the Report of the Directors on page 41.

6 OTHER ADMINISTRATIVE EXPENSES

	2021 £'000	2020 £'000
Directors' fees (Directors' Remuneration Report on pages 55 to 57)	**232**	209
Auditor's remuneration:		
- for audit of the consolidated and parent company financial statements	**80**	80
Legal fees	**15**	31
Taxation fees	**69**	103
Other administrative expenses	**199**	199
Other expenses	**454**	562
Irrecoverable VAT	**182**	214
Expenses charged to Revenue	**1,231**	1,398
Expenses charged to Capital	**604**	615
	1,835	2,013

Other administrative expenses include depositary, custody and company secretarial services. These expenses are charged on the same basis as the base management fee; one quarter to income and three quarters to capital. Total other administrative expenses charged to both income and capital are £797,000 (2020: £796,000).

Other expenses include broker fees, marketing and PR costs, Directors' National Insurance and recruitment, Registrars and listing fees, and annual report and other publication printing and distribution costs. These expenses are charged solely to the revenue account.

VAT on costs incurred in connection with the extension of the residential leases on The Colonnades are charged to the capital account.

7 FINANCE COSTS

	2021 £'000	2020 £'000
Bank loans and overdrafts repayable within 1 year	**1,241**	1,866
Loan notes repayable after 5 years	**1,384**	1,391
HMRC interest: release of FII GLO provision	**(240)**	-
	2,385	3,257
Amount allocated to capital return	**(1,969)**	(2,443)
Amount allocated to revenue return	**416**	814

8 TAXATION

a) Analysis of charge in the year

	2021 Revenue Return £'000	2021 Capital Return £'000	2021 Total £'000	2020 Revenue Return £'000	2020 Capital Return £'000	2020 Total £'000
UK corporation tax at 19% (2020: 19%)	**1,989**	**(1,989)**	**-**	3,362	(3,149)	213
Overseas taxation	**866**	**8**	**874**	2,606	-	2,606
	2,855	**(1,981)**	**874**	5,968	(3,149)	2,819
(Over)/under provision in respect of prior years	**(1,980)**	**-**	**(1,980)**	(406)	-	(406)
	875	**(1,981)**	**(1,106)**	5,562	(3,149)	2,413
Deferred taxation	**(108)**	**(686)**	**(794)**	350	-	350
Current tax charge for the year	**767**	**(2,667)**	**(1,900)**	5,912	(3,149)	2,763

FINANCIAL STATEMENTS

8 TAXATION *continued*

b) Factors affecting total tax charge for the year

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for a large company of 19% (2020: 19%).

The difference is explained below:

	2021 Revenue Return £'000	2021 Capital Return £'000	2021 Total £'000	2020 Revenue Return £'000	2020 Capital Return £'000	2020 Total £'000
Net profit/(loss) on ordinary activities before taxation	**39,656**	**192,853**	**232,509**	52,306	(197,550)	(145,244)
Corporation tax charge at 19% (2020:19%)	**7,535**	**36,642**	**44,177**	9,938	(37,535)	(27,597)
Effects of:						
Non taxable gains on investments	**-**	**(37,351)**	**(37,351)**	-	29,187	29,187
Currency movements not taxable	**-**	**877**	**877**	-	(2,204)	(2,204)
Tax relief on expenses charged to capital	**-**	**139**	**139**	-	(1,038)	(1,038)
Non-taxable returns	**(23)**	**(3,380)**	**(3,403)**	-	8,566	8,566
Non-taxable UK dividends	**(972)**	**-**	**(972)**	(1,043)	-	(1,043)
Non-taxable overseas dividends	**(4,573)**	**-**	**(4,573)**	(5,540)	-	(5,540)
Overseas withholding taxes	**866**	**8**	**874**	2,606	-	2,606
Deferred tax prior year adjustment	**(108)**	**(686)**	**(794)**	-	-	-
(Over)/under provision in respect of prior years	**(1,980)**	**-**	**(1,980)**	(406)	5	(401)
Disallowable expenses	**19**	**-**	**19**	69	(43)	26
Deferred tax not provided	**3**	**1,084**	**1,087**	288	(87)	201
	767	**(2,667)**	**(1,900)**	5,912	(3,149)	2,763

The Group has not recognised deferred tax assets of £2,703,000 (2020: £nil) arising as a result of losses carried forward.

It is considered too uncertain that the Group will generate profits in the relevant companies that the losses would be available to offset against and, on this basis, the deferred tax asset in respect of these expenses has not been recognised.

Due to the Company's status as an Investment Trust, and the intention to continue meeting the conditions required to obtain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains arising on the revaluation or disposal of investments.

c) Provision for deferred taxation

The amounts for deferred taxation provided at 19% (2020: 19%) comprise:

Group

	2021 Revenue Return £'000	2021 Capital Return £'000	2021 Total £'000	2020 Revenue Return £'000	2020 Capital Return £'000	2020 Total £'000
Accelerated capital allowances	**-**	**-**	**-**	108	-	108
Unutilised losses carried forward	**-**	**(686)**	**(686)**	-	-	-
Shown as:						
Deferred tax (asset)/liability	**-**	**(686)**	**(686)**	108	-	108

8 TAXATION *continued*

c) Provision for deferred taxation *continued*

Company

	2021 Revenue Return £'000	2021 Capital Return £'000	2021 Total £'000	2020 Revenue Return £'000	2020 Capital Return £'000	2020 Total £'000
Accelerated capital allowances	**-**	**-**	**-**	108	-	108
Unutilised losses carried forward	**-**	**(686)**	**(686)**	-	-	-
Shown as:						
Deferred tax (asset)/liability	**-**	**(686)**	**(686)**	108	-	108

The movement in provision in the year is as follows:

Group

	2021 Revenue Return £'000	2021 Capital Return £'000	2021 Total £'000	2020 Revenue Return £'000	2020 Capital Return £'000	2020 Total £'000
Provision at the start of the year	**108**	**-**	**108**	107	(350)	(243)
Accelerated capital allowances	**(108)**	**-**	**(108)**	1	350	351
Unutilised losses carried forward	**-**	**(686)**	**(686)**	-	-	-
Provision at the end of the year	**-**	**(686)**	**(686)**	108	-	108

Company

	2021 Revenue Return £'000	2021 Capital Return £'000	2021 Total £'000	2020 Revenue Return £'000	2020 Capital Return £'000	2020 Total £'000
Provision at the start of the year	**108**	**-**	**108**	107	(350)	(243)
Accelerated capital allowances	**(108)**	**-**	**(108)**	1	350	351
Unutilised losses carried forward	**-**	**(686)**	**(686)**	-	-	-
Provision at the end of the year	**-**	**(686)**	**(686)**	108	-	108

9 EARNINGS/(LOSS) PER SHARE

Earnings/(loss) per Ordinary share

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

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Net revenue profit	**38,889**	46,394
Net capital profit/(loss)	**195,520**	(194,401)
Net total profit/(loss)	**234,409**	(148,007)
Weighted average number of shares in issue during the year	**317,350,980**	317,350,980
	pence	pence
Revenue earnings per share	**12.25**	14.62
Capital earnings/(loss) per share	**61.61**	(61.26)
Earnings/(loss) per Ordinary share	**73.86**	(46.64)

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

FINANCIAL STATEMENTS

10 INVESTMENTS HELD AT FAIR VALUE

a) Analysis of investments

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Listed in the United Kingdom	**394,176**	**394,176**	351,506	351,506
Unlisted in the United Kingdom	**1,468**	**1,468**	682	682
Listed Overseas	**921,801**	**921,801**	708,597	708,597
Investment properties	**83,071**	**83,071**	94,510	94,510
Investments held at fair value	**1,400,516**	**1,400,516**	1,155,295	1,155,295
Investments in subsidiaries at fair value	**-**	**43,312**	-	50,429
	1,400,516	**1,443,828**	1,155,295	1,205,724

b) Business segment reporting

	Valuation 31 March 2020 £'000	Net additions/ (disposals) £'000	Net appreciation/ (depreciation) £'000	Valuation 31 March 2021 £'000	Gross revenue 31 March 2021 £'000	Gross revenue 31 March 2020 £'000
Listed investments	1,060,103	58,477	197,397	**1,315,977**	**36,403**	46,964
Unlisted investments	682	-	786	**1,468**	**154**	148
Contracts for difference	8,698	(26,817)	17,978	**(141)**	**3,320**	5,724
Total return swap	(3,808)	3,996	(188)	**-**	**-**	-
Total investments segment	1,065,675	35,656	215,973	**1,317,304**	**39,877**	52,836
Direct property segment	94,510	(9,838)	(1,601)	**83,071**	**4,236**	5,201
	1,160,185	25,818	214,372	**1,400,375**	**44,113**	58,037

In seeking to achieve its investment objective, the Company invests in the shares and securities of property companies and property related businesses internationally and also in investment property located in the UK. The Company therefore considers that there are two distinct reporting segments, investments and direct property, which are used for evaluating performance and allocation of resources. The Board, which is the principal decision maker, receives information on the two segments on a regular basis. Whilst revenue streams and direct property costs can be attributed to the reporting segments, general administrative expenses cannot be split to allow a profit for each segment to be determined. The assets and gross revenues for each segment are shown above.

The property costs included within note 3 are £1,321,000 (2020: £1,984,000) and deducting these costs from the direct property gross revenue above would result in net income of £2,915,000 (2020: £3,217,000) for the direct property reporting segment.

10 INVESTMENTS HELD AT FAIR VALUE *continued*

c) Geographical segment reporting

	Valuation 31 March 2020 £'000	Net additions/ (disposals) £'000	Net appreciation/ (depreciation) £'000	Valuation 31 March 2021 £'000	Gross revenue 31 March 2021 £'000	Gross revenue 31 March 2020 £'000
UK listed equities and convertibles	351,506	(30,616)	73,286	**394,176**	**10,265**	16,963
UK unlisted equities	682	-	786	**1,468**	**154**	148
UK direct property[1]	94,510	(9,838)	(1,601)	**83,071**	**4,236**	5,201
Continental European listed equities	708,597	89,093	124,111	**921,801**	**26,138**	30,001
	1,155,295	48,639	196,582	**1,400,516**	**40,793**	52,313
UK contracts for difference[2]	5,071	(13,108)	8,621	**584**	**1,242**	2,714
European contracts for difference[2]	3,627	(13,709)	9,357	**(725)**	**2,078**	3,010
UK total return swap[3]	(3,808)	3,996	(188)	**-**	**-**	-
	1,160,185	25,818	214,372	**1,400,375**	**44,113**	58,037

Included in the above figures are purchase costs of £741,000 (2020: £460,000) and sales costs of £184,000 (2020: £199,000).

These comprise mainly stamp duty and commission.

The Company received £329,018,000 (2020: £367,977,000) from investments, including direct property, sold in the year. The book cost of these investments when they were purchased was £266,450,000 (2020: £317,581,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

[1] Net additions/(disposals) includes £465,000 (2020: £981,000) of capital expenditure. Net appreciation/(depreciation) includes amounts in respect of rent free periods.

[2] Gross revenue for contracts for difference relates to dividends receivable, on an ex dividend basis, on the underlying positions held. The appreciation/(depreciation) in CFDs relates to the movement in fair value in the year.

[3] The depreciation in the TRS relates to the movement in fair value in the year until maturity.

d) Substantial share interests

The Group held interests in 3% or more of any class of capital in 10 companies (2020: 8 companies) in which it invests. None of these investments is considered significant in the context of these financial statements. See note 21 on pages 96 and 97 for further details of subsidiary investments.

e) Fair value of financial assets and financial liabilities

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

Fair value hierarchy disclosures

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

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

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

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

The valuation techniques used by the Group are explained in the accounting policies in notes 1 (f) and 1 (g).

10 INVESTMENTS HELD AT FAIR VALUE *continued*

e) Fair value of financial assets and financial liabilities *continued*

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

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

At 31 March 2021	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Equity investments	**1,315,977**	**-**	**1,468**	**1,317,445**
Investment properties	**-**	**-**	**83,071**	**83,071**
Contracts for difference	**-**	**(141)**	**-**	**(141)**
Foreign exchange forward contracts	**-**	**(1,107)**	**-**	**(1,107)**
	1,315,977	**(1,248)**	**84,539**	**1,399,268**

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

The table above represents the Group's fair value hierarchy. The Company's fair value hierarchy is identical except for the inclusion of the fair value of the investment in Subsidiaries which at 31 March 2021 was £43,312,000 (2020: £50,429,000). These have been categorised as level 3 in both years. The movement in the year of £7,117,000 (2020: £13,000) is the change in fair value in the year, which includes a distribution from a subsidiary company of £6,435,000 and the release of a corporation tax provision of £348,000 in a subsidiary company. The total financial assets at fair value for the Company at 31 March 2021 was £1,443,828,000 (2020: £1,214,422,000).

Reconciliation of movements in financial assets categorised as level 3

At 31 March 2021	31 March 2020 £'000	Purchases £'000	Sales £'000	Appreciation / (Depreciation) £'000	**31 March 2021 £'000**
Unlisted equity investments	682	-	-	786	**1,468**
Investment properties					
- Mixed use	52,623	315	(303)	(4,658)	**47,977**
- Office & Industrial	41,887	150	(10,000)	3,057	**35,094**
	94,510	465	(10,303)	(1,601)	**83,071**
	95,192	465	(10,303)	(815)	**84,539**

All appreciation/(depreciation) as stated above relates to movements in fair value of unlisted equity investments and investment properties held at 31 March 2021.

The Group held one unquoted investment at the year end (see 11.6 overleaf).

Transfers between hierarchy levels

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

10 INVESTMENTS HELD AT FAIR VALUE *continued*

Sensitivity information for Investment Property Valuations

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

- Estimated rental value: £6.5 - £65 per sq ft (2020: £6.5- £65)
- Capitalisation rates: 2.0% - 6.0% (2020: 2.0% - 6.0%)

Significant increases (decreases) in estimated rental value and rent growth in isolation would result in a significantly higher (lower) fair value measurement. A significant increase (decrease) in long-term vacancy rate in isolation would result in a significantly lower (higher) fair value measurement.

There are interrelationships between the yields and rental values as they are partially determined by market rate condition. The sensitivity of the valuation to changes in the most significant inputs per class of investment property are shown below:

Estimated movement in fair value of investment properties at 31 March 2021 arising from	**Retail £'000**	**Office & Industrial £'000**	**Other £'000**	**Total £'000**
Increase in rental value by 5%	**310**	**1,585**	**50**	**1,945**
Decrease in rental value by 5%	**(250)**	**(1,610)**	**(25)**	**(1,885)**
Increase in yield by 0.5%	**(4,040)**	**(5,835)**	**(925)**	**(10,800)**
Decrease in yield by 0.5%	**5,155**	**9,505**	**1,325**	**15,985**

Estimated movement in fair value of investment properties at 31 March 2020 arising from	Retail £'000	Office & Industrial £'000	Other £'000	Total £'000
Increase in rental value by 5%	1,300	1,780	-	3,080
Decrease in rental value by 5%	(1,225)	(1,720)	-	(2,945)
Increase in yield by 0.5%	(5,025)	(6,005)	(950)	(11,980)
Decrease in yield by 0.5%	6,750	9,355	1,365	17,470

11 FINANCIAL INSTRUMENTS

Risk management policies and procedures

The Group invests in equities and other instruments for the long term in the pursuit of the Investment Objectives set out on page 24. The Group is exposed to a variety of risks that could result in either a reduction or an increase in the profits available for distribution by way of dividends.

The principal risks the Group faces in its portfolio management activities are:

- Market risk (comprising price risk, currency risk and interest rate risk)
- Liquidity risk
- Credit risk

The Manager's policies and processes for managing these risks are summarised on page 25 and have been applied throughout the year.

11 FINANCIAL INSTRUMENTS *continued*

11.1 Market price risk

By the very nature of its activities, the Group's investments are exposed to market price fluctuations.

Management of the risk

The Manager runs a diversified portfolio and reports to the Board on the portfolio activity and performance at each Board meeting. The Board monitors the investment activity and strategy to ensure it is compatible with the stated objectives.

The Group's exposure to changes in market prices on its quoted equity investments, CFDs and investment property portfolio, was as follows:

	2021 £'000	2020 £'000
Investments held at fair value	**1,400,516**	1,155,295
CFD long gross exposure	**146,001**	56,728
TRS long gross exposure	**–**	6,598

Concentration of exposure to price risks

As set out in the Investment Policies on page 25, there are guidelines to the amount of exposure to a single company, geographical region or direct property. These guidelines ensure an appropriate spread of exposure to individual or sector price risks. As an investment company dedicated to investment in the property sector, the Group is exposed to price movements across the property asset class as a whole.

Price risk sensitivity

The following table illustrates the sensitivity of the profit after taxation for the year and the value of shareholders' funds to an increase or decrease of 15% in the fair values of the Group's equity, fixed interest, CFD and direct property investments. The level of change is consistent with the illustration shown in the previous year. The sensitivity is based on the Group's equity, fixed interest, CFD and direct property exposure at each balance sheet date, with all other variables held constant.

	2021 Increase in fair value £'000	2021 Decrease in fair value £'000	2020 Increase in fair value £'000	2020 Decrease in fair value £'000
Statement of Comprehensive Income – profit after tax				
Revenue return	**(103)**	**103**	(77)	77
Capital return	**209,801**	**(209,801)**	173,817	(173,817)
Change to the profit after tax for the year/shareholders' funds	**209,698**	**(209,698)**	173,740	(173,740)
Change to total earnings per Ordinary Share	**66.08p**	**(66.08)p**	54.75p	(54.75)p

11.2 Currency risk

A proportion of the Group's portfolio is invested in overseas securities and their Sterling value can be significantly affected by movements in foreign exchange rates.

Management of the risk

The Board receives a report at each Board meeting on the proportion of the investment portfolio held in Sterling, Euros or other currencies. The Group may sometimes hedge foreign currency movements outside the Eurozone by funding investments in overseas securities with unsecured loans denominated in the same currency or through forward currency contracts.

Cash deposits are held in Sterling and/or Euro denominated accounts.

11 FINANCIAL INSTRUMENTS *continued*

Foreign currency exposure

At the reporting date the Group had the following exposure:
(Sterling has been shown for reference)

Currency	2021	2020
Sterling	**28.0%**	27.0%
Euro	**51.0%**	53.0%
Swedish Krona	**13.0%**	11.0%
Other	**8.0%**	9.0%

The following table sets out the Group's total exposure to foreign currency risk and the net exposure to foreign currencies of the net monetary assets and liabilities:

2021	Sterling £'000	Euro £'000	Swedish Krona £'000	Other £'000
Receivables (due from brokers, dividends and other income receivable)	**49,462**	**10,668**	**561**	**299**
Cash at bank and on deposit	**22,853**	**4,339**	**650**	**1,272**
Bank loans, loan notes and overdrafts	**(95,000)**	**-**	**-**	**-**
Payables (due to brokers, accruals and other creditors)	**(10,142)**	**(1,031)**	**-**	**-**
FX forwards	**(61,209)**	**-**	**13,848**	**46,254**
Total foreign currency exposure on net monetary items	**(94,036)**	**13,976**	**15,059**	**47,825**
Investments held at fair value	**478,715**	**707,968**	**155,635**	**58,198**
Non-current assets	**686**	**-**	**-**	**-**
Non-current liabilities	**(15,000)**	**(42,593)**	**-**	**-**
Total currency exposure	**370,365**	**679,351**	**170,694**	**106,023**

2020	Sterling £'000	Euro £'000	Swedish Krona £'000	Other £'000
Receivables (due from brokers, dividends and other income receivable)	31,552	27,495	634	413
Cash at bank and on deposit	25,602	11,922	962	1,643
Bank loans, loan notes and overdrafts	(40,000)	-	-	-
Payables (due to brokers, accruals and other creditors)	(8,026)	(6,076)	-	-
FX forwards	(133,731)	62,014	22,525	43,583
Total foreign currency exposure on net monetary items	(124,603)	95,355	24,121	45,639
Investments held at fair value	446,698	551,576	100,836	56,185
Non-current assets	(15,108)	(44,246)	-	-
Total currency exposure	306,987	602,685	124,957	101,824

Foreign currency sensitivity

The following table illustrates the sensitivity of the profit after tax for the year on the Group's equity in regard to the exchange rates for Sterling/Euro and Sterling/Swedish Krona and other currencies.

It assumes the following changes in exchange rates:

- Sterling/Euro +/- 15% (2020:15%)
- Sterling/Swedish Krona +/- 15% (2020:15%)
- Sterling/Other +/- 15% (2020:15%)

11 FINANCIAL INSTRUMENTS *continued*

Foreign currency sensitivity *continued*

If Sterling had strengthened against the currencies shown, this would have had the following effect:

	Year ended March 2021			Year ended March 2020		
	Euro £'000	**Swedish Krona £'000**	**Other £'000**	Euro £'000	Swedish Krona £'000	Other £'000
Statement of Comprehensive Income – profit after tax						
Revenue return	**(2,726)**	**(589)**	**(250)**	(3,016)	(340)	(99)
Capital return	**(83,243)**	**(20,269)**	**(7,579)**	(71,091)	(13,132)	(7,317)
Change to the profit after tax for the year/shareholders' funds	**(85,969)**	**(20,858)**	**(7,829)**	(74,107)	(13,472)	(7,416)

	2021	2020
Change to total earnings per Ordinary share	**(36.13)p**	(29.93)p

If Sterling had weakened against the currencies shown, this would have the following effect:

	Year ended March 2021			Year ended March 2020		
	Euro £'000	**Swedish Krona £'000**	**Other £'000**	Euro £'000	Swedish Krona £'000	Other £'000
Statement of Comprehensive Income – profit after tax						
Revenue return	**3,411**	**732**	**318**	4,971	423	113
Capital return	**124,633**	**27,440**	**10,262**	97,685	17,780	9,909
Change to the profit after tax for the year/shareholders' funds	**128,044**	**28,172**	**10,580**	102,656	18,203	10,022

	2021	2020
Change to total earnings per Ordinary share	**52.56p**	41.24p

11.3 Interest rate risk

Interest rate movements may affect:

- the fair value of any investments in fixed interest securities;
- the fair value of the loan notes;
- the level of income receivable from cash at bank and on deposit;
- the level of interest expense on any variable rate bank loans; and
- the prices of the underlying securities held in the portfolios.

Management of the risk

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment decisions. Property companies usually have borrowings themselves and the level of gearing and structure of its debt portfolio is a key factor when assessing the investment in a property company.

The Group has fixed and has had variable rate borrowings during the year. The interest rates on the loan notes is fixed, details are set out in note 13. In addition to the loan notes the Group has unsecured, multi-currency revolving loan facilities which carry variable rates of interest based on the currencies drawn, plus a margin. These facilities total £130,000,000 (2020: £110,000,000).

11 FINANCIAL INSTRUMENTS *continued*

Management of the risk *continued*

The Manager considers both the level of debt on the balance sheet of the Group (i.e. the loan notes and any bank loans drawn) and the "see-through" gearing, taking into account the assets and liabilities of the underlying investments, when considering the investment portfolio. These gearing levels are reported regularly to the Board.

The majority of the Group's investment portfolio is non-interest bearing. As a result the Group's financial assets are not directly subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Interest rate exposure

The exposure at 31 March of financial assets and financial liabilities to interest rate risk is shown by reference to:

- floating interest rates: when the interest rate is due to be re-set;
- fixed interest rates: when the financial instrument is due to be repaid.

The Group's exposure to floating interest rates on assets is £80,027,000 (2020: £79,651,000).

The Group's exposure to fixed interest rates on liabilities is £152,593,000 (2020: £99,246,000).

The Group's exposure to floating interest rates on liabilities is £nil (2020: £nil).

Interest receivable and finance costs are at the following rates:

- Interest received on cash balances, or paid on bank overdrafts, is at a margin over LIBOR or its foreign currency equivalent (2020: same).
- Interest paid on borrowings under the multi-currency loan facilities, is at a margin over LIBOR or its foreign currency equivalent for the type of loan (2020: same).
- The finance charges on the €50m and £15m loan notes are at interest rates of 1.92% and 3.59% respectively.

The year end amounts are not representative of the exposure to interest rates during the year as the level of exposure changes as investments are made in fixed interest securities, borrowings are drawn down and repaid, and the mix of borrowings between floating and fixed interest rates changes.

Interest rate sensitivity

A change of 2% on interest rates at the reporting date would have had the following direct impact:

	2021 2% Increase £'000	2021 2% Decrease £'000	2020 2% Increase £'000	2020 2% Decrease £'000
Change to shareholders' funds	**(1,176)**	**1,176**	(317)	317
Change to total earnings per Ordinary share	**(0.37)p**	**0.37p**	(0.10)p	0.10p

This level of change is not representative of the year as a whole, since the exposure changes throughout the period.

This assessment does not take into account the impact of interest rate changes on the market value of the investments the Group holds.

11.4 Liquidity risk

Unquoted investments in the portfolio are subject to liquidity risk. The Group held one unquoted investment at the year end (see 11.6 below).

In certain market conditions, the liquidity of direct property investments may be reduced. At 31 March 2021, 6% (2020: 8%) of the Group's investment portfolio was held in direct property investments.

At 31 March 2021, 94% (2020: 92%) of the Group's investment portfolio is held in listed securities which are predominantly readily realisable.

Bank loan facilities are short term revolving loans which it is intended are renewed or replaced but renewal cannot be certain. Loan notes of €50m and £15m are repayable in February 2026 and 2031 respectively.

The table shows the timing of cash outflows to settle the Group's current liabilities together with anticipated interest costs.

11 FINANCIAL INSTRUMENTS *continued*

Debt and Financing maturity profile

At 31 March 2021	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
Bank loans*	95,000	-	-	-	-	-	95,000
Loan notes	-	-	-	-	-	57,593	57,593
Projected interest cash flows on bank and loan notes	2,178	1,356	1,356	1,356	1,356	2,693	10,295
Accruals and deferred income	10,719	-	-	-	-	-	10,719
Other creditors	110	-	-	-	-	-	110
	108,007	1,356	1,356	1,356	1,356	60,286	173,717

At 31 March 2020	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
Bank loans	40,000	-	-	-	-	-	40,000
Loan notes	-	-	-	-	-	59,246	59,246
Projected interest cash flows on bank and loan notes	1,388	1,388	1,388	1,388	1,388	4,081	11,021
Accruals and deferred income	3,812	-	-	-	-	-	3,812
Other creditors	294	-	-	-	-	-	294
	45,494	1,388	1,388	1,388	1,388	63,327	114,373

* A £60m multicurrency facility with RBS was renewed for one year in February 2021. £50m (2020: £10m) was drawn on this facility at the balance sheet date. A £30m one year facility with ING Luxembourg was renewed in July 2020. £30m (2020: £30m) was drawn on this facility at the balance sheet date. A £40m facility was renewed with ICBC in November 2020. £15m (2020: £nil) was drawn on this facility at the balance sheet date.

Management of the risk

The Manager sets guidelines for the maximum exposure of the portfolio to unquoted and direct property investments. These are set out in the Investment Policies on page 25. All unquoted investments with a value over £1m and direct property investments with a value over £5 million must be approved by the Board for purchase.

The Company maintains regular contact with the banks providing revolving facilities and renewal discussions commence well ahead of facility renewal dates. In addition the Company is exploring new opportunities for the provision of debt on an ongoing basis.

11.5 Credit risk

The failure of a counterparty to a transaction to discharge its obligations under that transaction could result in the Group suffering a loss. At the period end the largest counterparty risk, which the Group was exposed to was within Debtors and Cash and cash equivalents where the total bank balances held with one counterparty was £53,134,000 (2020: £46,731,000 two counterparties).

Management of the risk

Investment transactions are carried out with a number of brokers, whose credit standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker. Cash at bank is only held with banks with high quality external credit ratings.

Credit risk exposure

In summary, compared to the amounts in the Balance Sheet, the maximum exposure to credit risk at 31 March was as follows:

	2021 Balance Sheet £'000	2021 Maximum exposure £'000	2020 Balance Sheet £'000	2020 Maximum exposure £'000
Debtors	60,990	60,990	60,094	60,094
Cash and cash equivalents	29,114	29,114	40,129	40,129
	90,104	90,104	100,223	100,223

11 FINANCIAL INSTRUMENTS *continued*

Where the receivables of the Group are exposed to credit risk, the requirement for impairment is assessed at each year end. For all receivables, in the table above, no impairment has been recognised in relation to expected credit losses as the impact of these losses is immaterial as at 31 March 2021 (31 March 2020: no impairment).

Offsetting disclosures

In order to better define its contractual rights and to secure rights that will help the Group mitigate its counterparty risk, the Group may enter into an ISDA Master Agreement or similar agreement with its OTC derivative contract counterparties. An ISDA Master Agreement is an agreement between the Group and the counterparty that governs OTC derivatives and foreign exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Group has a contractual right to offset with the counterparty certain derivative financial instruments payables and/or receivables with collateral held and/or posted and create one single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

The disclosures set out in the following tables include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement.

At 31 March 2021 and 2020, the Group's derivative assets and liabilities (by type and counterparty) are as follows:

	Year ended 2021		Year ended 2020	
	Net amounts of financial assets/ liabilities presented in the Balance Sheet £'000	Cash collateral pledged £'000	Net amounts of financial assets/ liabilities presented in the Balance Sheet £'000	Cash collateral pledged £'000
CFD positions:				
Goldman Sachs	**(141)**	**50,913**	8,698	31,525
	(141)	**50,913**	8,698	31,525
TRS position:				
ING	-	-	(3,808)	7,997
	-	-	(3,808)	7,997
FX forward contracts:				
Bank of Montreal	-	-	(2,582)	-
Barclays	-	-	(2,398)	-
BNP Paribas	-	-	(620)	-
HSBC	**(1,107)**	-	-	-
Westpac	-	-	(9)	-
	(1,107)	-	(5,609)	-

11.6 Fair values of financial assets and financial liabilities

Except for the loan notes which are measured at amortised cost (refer to Note 13), the fair values of the financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments) or the balance sheet amount is a reasonable approximation of fair value (debtors, creditors, cash at bank and bank overdrafts, accruals and prepayments).

The fair values of the listed investments are derived from the closing price or last traded price at which the securities are quoted on the London Stock Exchange and other recognised exchanges.

The fair value of contracts for difference are based on the underlying listed investment value as set out above and the amount due from or to the counterparty under the contract is recorded as an asset or liability accordingly, which is disclosed in Note 13 for the current year.

The fair values of the properties are derived from an open market (Red Book) valuation of the properties on the Balance Sheet date by an independent firm of valuers (Knight Frank).

There was one unquoted investment at the Balance Sheet date, Atrato, with a total value of £1,468,000 (2020: Atrato, £682,000).

11 FINANCIAL INSTRUMENTS *continued*

In the Parent Company accounts there are investments of £43,312,000 in unlisted subsidiaries which are classified as level 3.

The amounts of change in fair value for investments including net returns on CFDs recognised in the consolidated profit or loss for the year was a gain of £214,372,000 (2020: loss of £198,698,000).

11.7 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure that it will be able to continue as a going concern; and
- to maximise the total return to its equity shareholders through an appropriate balance of equity capital and debt.

The equity capital of the Group at 31 March 2021 consisted of called up share capital, share premium, capital redemption and revenue reserves totalling £1,326,433,000 (2020: £1,136,453,000). The Group does not regard the loan notes and loans as permanent capital.

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

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

12 DEBTORS

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Amounts falling due within one year:				
Securities and properties sold for future settlement	**267**	**267**	5,020	5,020
Tax recoverable	**4,231**	**3,761**	1,414	1,292
Prepayments and accrued income[1]	**5,176**	**5,176**	5,082	5,082
Amounts receivable in respect of Contracts for Difference	**–**	**–**	8,698	8,698
CFD margin cash	**50,913**	**50,913**	31,525	31,525
TRS margin cash	**–**	**–**	7,997	7,997
Other debtors	**403**	**403**	358	358
	60,990	**60,520**	60,094	59,972
Non-current assets				
Deferred taxation asset	**686**	**686**	–	–

[1] Includes amounts in respect of rent free periods.

13 CURRENT AND NON-CURRENT LIABILITIES

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Amounts falling due within one year:				
Bank loans and overdrafts	**95,000**	**95,000**	40,000	40,000
Securities and properties purchased for future settlement	**194**	**194**	5,975	5,975
Amounts due to subsidiaries	**-**	**42,880**	-	50,342
Amounts payable in respect of Contracts for Difference	**141**	**141**	-	-
Amounts payable in respect of Total Return Swap	**-**	**-**	3,808	3,808
Tax payable	**9**	**9**	213	213
Accruals and deferred income	**10,719**	**10,685**	3,812	3,783
Foreign exchange forward contracts for settlement	**1,107**	**1,107**	5,609	5,609
Other creditors	**110**	**104**	294	286
	107,280	**150,120**	59,711	110,016
Non-current liabilities:				
1.92% Euro Loan Notes 2026	**42,593**	**42,593**	44,246	44,246
3.59% GBP Loan Notes 2031	**15,000**	**15,000**	15,000	15,000
Deferred taxation	**-**	**-**	108	108
	57,593	**57,593**	59,354	59,354

Loan Notes

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

The fair value of the 1.92% Euro Loan Notes was £42,732,000 (2020: £44,418,000) and the 3.59% GBP Loan Notes was £15,219,000 (2020: £15,553,000) at 31 March 2021.

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

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

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

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

Multi-currency revolving loan facilities

The Group also had unsecured, multi-currency, revolving short-term loan facilities totalling £130,000,000 (2020: £110,000,000) at 31 March 2021. At 31 March 2021 £95,000,000 was drawn on these facilities (2020: £40,000,000).

The maturity of these facilities is shown in notes 11.3 and 11.4.

13 CURRENT AND NON-CURRENT LIABILITIES *continued*

Reconciliation of liabilities arising from financing activities

Group and Company	Long term debt £'000	Short term debt £'000	Total £'000
Opening liabilities from financing activities at 31 March 2020	59,246	40,000	99,246
Cash flows:			
Drawdown of bank loans	–	55,000	55,000
Movement on foreign exchange	(1,653)	–	(1,653)
Closing liabilities from financing activities at 31 March 2021	57,593	95,000	152,593

14 CALLED UP SHARE CAPITAL

Ordinary share capital

The balance classified as Ordinary share capital includes the nominal value proceeds on the issue of the Ordinary equity share capital comprising Ordinary shares of 25p.

	Number	Issued, allotted and fully paid £'000
Ordinary shares of 25p		
At 1 April 2020	317,350,980	79,338
At 31 March 2021	317,350,980	79,338

The voting rights are disclosed in the Report of the Directors on page 43.

During the year, the Company made no market purchases for cancellation of Ordinary shares of 25p each (2020: none).

Since 31 March 2021 no Ordinary shares have been purchased and cancelled.

15 SHARE PREMIUM ACCOUNT AND CAPITAL REDEMPTION RESERVE

Share premium account

The balance classified as share premium includes the premium above nominal value from the proceeds on issue of the equity share capital comprising Ordinary shares of 25p.

Capital redemption reserve

The capital redemption reserve is used to record the amount equivalent to the nominal value of purchases of the Company's own shares in order to maintain the Company's capital.

16 RETAINED EARNINGS

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Investment holding gains	335,322	360,663	206,072	238,531
Realised capital reserves	757,418	731,167	691,148	664,465
	1,092,740	1,091,830	897,220	902,996
Revenue reserve	67,222	68,132	72,762	66,986
	1,159,962	1,159,962	969,982	969,982

Group investment holding gains at 31 March 2021 include a £143,000 gain (2020: £643,000 loss) relating to unlisted investments and gains of £45,201,000 (2020: £51,882,000 gains) relating to investment properties.

Company investment holding gains at 31 March 2021 include gains of £70,685,000 (2020: £83,697,000) relating to unlisted and subsidiary investments with a £44,061,000 revaluation gain (2020: £50,742,000) relating to investment properties. Dividends are only distributable from the revenue reserve.

17 DIVIDENDS

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2020 of 8.80p (2019: 8.60p) per Ordinary share	**27,927**	27,292
Interim dividend for the year ended 31 March 2021 of 5.20p (2020: 5.20p) per Ordinary share	**16,502**	16,502
	44,429	43,794
Amounts not recognised as distributions to equity holders in the year:		
Proposed final dividend for the year ended 31 March 2021 of 9.00p (2020: 8.80p) per Ordinary share	**28,562**	27,927

The final dividend has not been included as a liability in these financial statements in accordance with IAS 10 "Events after the Balance Sheet Date".

Set out below is the total dividend to be paid in respect of the year. This is the basis on which the requirements of s.1158 of the Corporation Tax Act 2010 are considered.

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Interim dividend for the year ended 31 March 2021 of 5.20p (2020: 5.20p) per Ordinary share	**16,502**	16,502
Proposed final dividend for the year ended 31 March 2021 of 9.00p (2020: 8.80p) per Ordinary share	**28,562**	27,927
	45,064	44,429

18 COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The net profit after taxation of the Company dealt with in the accounts of the Group was £234,409,000 (2020: £148,006,000 loss).

19 NET ASSET VALUE PER ORDINARY SHARE

Net asset value per Ordinary share is based on the net assets attributable to Ordinary shares of £1,326,433,000 (2020: £1,136,453,000) and on 317,350,980 (2020: 317,350,980) Ordinary shares in issue at the year end.

20 COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2021 the Group had capital commitments of £144,000 (2020: £132,000) but no contingent liabilities (2020: nil).

21 SUBSIDIARIES

The Group has the following principal subsidiaries, all of which are registered and operating in Scotland, England and Wales:

Name	Reg. Number	Principal Activities
New England Properties Limited	788895	Non-trading company
The Colonnades Limited	2826672	Non-trading company
Showart Limited	2500726	Non-trading company
Trust Union Properties Residential Developments Limited	2365875	Non-trading company
The Property Investment Trust Ltd	2415846	Non-trading company
The Real Estate Investment Trust Limited	2416015	Non-trading company
The Terra Property Investment Trust Limited	2415843	Non-trading company
Trust Union Property Investment Trust Limited	2416017	Non-trading company
Trust Union Properties (Number Five) Limited	2415839	Non-trading company
Trust Union Properties (Number Six) Limited	2416018	Non-trading company
Trust Union Properties (Number Seven) Limited	2415836	Non-trading company
Trust Union Properties (Number Eight) Limited	2416019	Non-trading company
Trust Union Properties (Number Nine) Limited	2415833	Non-trading company
Trust Union Properties (Number Ten) Limited	2416021	Non-trading company
Trust Union Properties (Number Eleven) Limited	2415830	Non-trading company
Trust Union Properties (Number Twelve) Limited	2416022	Non-trading company
Trust Union Properties (Number Thirteen) Limited	2415818	Non-trading company
Trust Union Properties (Number Fourteen) Limited	2416024	Non-trading company
Trust Union Properties (Number Fifteen) Limited	2416026	Non-trading company
Trust Union Properties (Number Sixteen) Limited	2415806	Non-trading company
Trust Union Properties (Number Seventeen) Limited	2416027	Non-trading company
Trust Union Properties (Number Eighteen) Limited	2415768	Non-trading company
Trust Union Properties (Bayswater) Limited	2416030	Property investment
Trust Union Properties (Cardiff) Limited	2415772	Non-trading company
Trust Union Properties (Theale) Limited	2416031	Non-trading company
Trust Union Properties (Number Twenty-Two) Limited	2415765	Non-trading company
Trust Union Properties (Number Twenty-Three) Limited	2416036	Non-trading company
Skillion Finance Limited	2420758	Non-trading company
Trust Union Finance (1991) Plc	2663561	Investment financing
FGH Developments Limited	1481476	Non-trading company
FGH Developments (Aberdeen) Limited (E18030)	SC68799	Non-trading company
FGH (Newcastle) Limited	1466619	Non-trading company
NEP (1994) Limited	977481	Non-trading company
New England Developments Limited	1385909	Non-trading company
New England Investments Limited	2613905	Non-trading company
New England Retail Properties Limited	1447221	Non-trading company
New England (Southern) Limited	1787371	Non-trading company
Sapco One Limited	803940	Non-trading company
Trust Union Properties Limited	2134624	Non-trading company
Trust Union Finance Limited	1233998	Investment holding and finance company
TR Property Finance Limited	2415941	Investment holding and finance company
Trust Union Properties (South Bank) Limited	2420097	Non-trading company

21 SUBSIDIARIES *continued*

The Company has provided a guarantee for each of these subsidiaries in order for them to take the exemption from the requirement of an audit, in line with the requirements of S.479A of the Companies Act 2006.

All the subsidiaries are fully owned and all the holdings are ordinary shares.

All companies have the registered office of 11-12 Hanover Street, London, W1S 1YQ with the exception of FGH Developments (Aberdeen) Limited which is registered to 50 Lothian Road, Festival Square, Edinburgh EH3 9BY.

22 RELATED PARTY TRANSACTIONS DISCLOSURES

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The balances are interest free, unsecured and repayable on demand.

Amounts due by the Company to subsidiaries per note 13

	2021 £'000	2020 £'000
The Colonnades Limited	**22,619**	22,619
TR Property Finance Limited	**20,281**	27,743
New England Properties Limited	**(20)**	(20)
	42,880	50,342

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Company for each of the relevant categories specified in IAS 24: Related Party Disclosures is provided in the audited part of the Directors' Remuneration Report on page 56.

Directors' transactions

Transactions in shares by directors are considered to be a related party transaction due to the nature of their role as directors.

Movements in directors' shareholdings are disclosed within the Directors' Remuneration Report on page 57.

Dividends totalling £17,000 (2020: £10,000) were paid in the year in respect of shares held by the Company's directors.

FINANCIAL STATEMENTS

Glossary and AIFMD disclosure

1.0 ALTERNATIVE PERFORMANCE MEASURES

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

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

Total Return

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

	NAV	Share Price
NAV/share price per share at 31 March 2020	358.11	317.5
NAV/share price per share at 31 March 2021	417.97	392.5
Change in year	16.7%	23.6%
Impact of dividends reinvested	4.0%	4.7%
Total Return for the year	20.7%	28.3%

Net Debt

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

The net gearing has been calculated as follows:

	Group 2021 £'000	Group 2020 £'000
Loan notes	57,593	59,246
Loans	95,000	40,000
CFD positions (notional exposure)	146,001	56,728
TRS position (notional exposure)	-	10,405
Less: Cash	(29,114)	(40,129)
Less: Cash collateral (included within 'Other debtors' in Note 12)	(50,913)	(39,522)
	218,567	86,728
Equity shareholders' funds	1,326,433	1,136,453
Net gearing	16.5%	7.6%

Ongoing Charges

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

	Including Performance Fees £'000	Excluding Performance Fees £'000	Excluding Performance Fees & Direct Property Costs £'000
Management Fee (note 5)	15,884	6,225	6,225
Other Administrative expenses (note 6)	1,835	1,835	1,835
Property Costs	270	270	-
Less: Non recurring expenses	-	-	-
	17,989	8,330	8,060
Average Net Assets	1,283,051	1,283,051	1,283,051
Ongoing Charge 2021	1.40%	0.65%	0.63%
Ongoing Charge 2020	0.80%	0.61%	0.59%

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

Key Performance Indicators

The Board assesses the performance of the Manager in meeting the Trust's objective against a number of Key Performance Indicators, these are considered to be Alternative Performance Measures. These are set out on pages 26 and 27 of this report together with information about any calculations or the source of data.

2.0 GLOSSARY OF TERMS AND DEFINITIONS

AIFMD
The Alternative Fund Managers Directive is European legislation which created a European wide framework for regulating the managers of "alternative investment funds" (AIFs). It is designed to regulate any fund which is not a UCITS (Undertakings for Collective Investment in Transferable Securities) fund and which is managed or marketed in the EU

AIC
The Association of Investment Companies – the AIC is the representative body for closed-ended investment companies.

Alternative Performance Measure
A financial measure of financial performance or financial position other than a financial measure defined or specified in the accounting statements.

Discount
The amount by which the market price of a share of an investment trust is lower than the Net Asset Value per share expressed as a percentage of the NAV per share.

Key Information Document
Under the PRIIPs Regulations a short, consumer friendly Key Information Document is required setting out the key features, risks, rewards and costs of the PRIIP and is intended to assist investors to better understand the Trust and make comparisons between Trusts.

The document includes estimates of investment performance under a number of scenarios. These calculations are prescribed by the regulation and are based purely on recent historical data. It is important for investors to note that there is no judgement applied and these do not in any way reflect the Board or Manager's views.

Key Performance Indicator "KPI"
A "KPI" is a quantifiable measure that evaluates how successful the trust is in meeting its objectives The Trust's KPIs are discussed on pages 26 and 27.

MiFID
The Markets in Financial Instruments Directive is the EU legislation that regulates firms who provide services to clients linked to "financial instruments" (shares, bonds, units in collective investment schemes and derivatives) and the venues where those instruments are traded.

Net Asset Value (NAV) per share
The value of total assets less liabilities (including borrowings) divided by the number of shares in issue.

3.0 ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ("AIFMD")
In accordance with the AIFMD, information in relation to the Company's leverage and remuneration of the Company's AIFM,

F&C Investment Business Limited, is required to be made available to investors. Detailed regulatory disclosures including those on the AIFM's remuneration policy are available on the F&C website or from F&C on request. The numerical remuneration disclosures in relation to the AIFM's first relevant accounting period will be made available in due course.

Leverage
Under the AIFM Directive, it is necessary for AIFs to disclose their leverage in accordance with prescribed calculations.

Although leverage is often used as another term for gearing, under the AIFMD leverage is specifically defined. Two types of leverage calculations are defined; the gross and commitment methods. These methods summarily express leverage as a ratio of the exposure of the AIF against its net asset value. 'Exposure' typically includes debt, the value of any physical properties subject to mortgage, non-Sterling currency, equity or currency hedging at absolute notional values (even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging) and derivative exposure (converted into the equivalent underlying positions). The commitment method nets off derivative instruments, while the gross method aggregates them.

The table below sets out the current maximum permitted limit and the actual level of leverage for the Company as at 31 March 2020:

Leverage exposure	Gross method	Commitment method
Maximum permitted limit	200%	200%
Actual	124%	118%

The leverage limits are set by the AIFM and approved by the Board and are in line with the limits set out in the Company's Articles of Association.

This should not be confused with the gearing set out in the Financial Highlights which is calculated under the traditional method set out by the Association of Investment Companies. The AIFM is also required to comply with the gearing parameters set by the Board in relation to borrowings.

Notice of Annual General Meeting

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take you should seek your own advice from a stockbroker, solicitor, accountant or other independent professional adviser who is authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom, or if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying documents to the purchaser, or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Our preference is to welcome shareholders in person to our 2021 AGM, particularly given the constraints we faced in 2020 due to the COVID-19 pandemic. The Company is continuing to monitor the current COVID-19 legislation and public health guidance issued by the UK Government.

We have prepared for this AGM based on the anticipated status of the UK Government's roadmap out of lockdown at the date of the meeting. It is expected that the AGM will be able to go ahead as normal as a physical meeting.

However, it may be necessary to adapt our arrangements to respond to any changes in circumstances, including the possibility of a delay to the further easing of restrictions. Any changes to the arrangements for the AGM (including any change to the location of the AGM) will be communicated to shareholders before the meeting, including through our website (www.trproperty.com) and via an RNS announcement.

The meeting will be conducted in accordance with legislation and public health guidance in force at the time of the meeting. Depending on the circumstances at the time of the meeting, it may be necessary to limit physical attendance by shareholders. We regret that it will not be possible to provide refreshments in the usual way. If new restrictions are imposed, it is possible that we will not be in a position to accommodate shareholders beyond the minimum required to hold a quorate meeting.

Regardless of the current expectation for the physical meeting to proceed as planned, we strongly encourage all shareholders to vote in advance by proxy and appoint the Chairman of the meeting as their proxy rather than any other named person, who may not be permitted to attend the AGM. This will ensure that their vote will be counted if they (or any other proxy they might otherwise appoint) are not able to attend the meeting. All resolutions will be voted on by a poll.

Shareholders intending to attend the AGM are asked to register their intention as soon as practicable by email to the following dedicated address: cmuk-trpropertyinvestment@linkgroup.co.uk

Shareholders who are not able or do not wish to attend the meeting in person (regardless of an easing of restrictions) will be able to watch a live webcast of the meeting. This will include the formal business of the meeting, the Manager's presentation and questions and answers. The webcast will not enable shareholders to participate in the meeting or vote. However, shareholders will be invited to submit questions through our website, by 12.00 noon on 26 July 2021. Questions of a very similar nature may be grouped together to ensure the orderly running of the AGM.

Shareholders are asked to consult the website in the period leading up to the event where any restrictions or changes will be set out and the format detailed when we know what will be permitted at that time.

Notice is hereby given that the Annual General Meeting of TR Property Investment Trust plc (the "Company") will be held at 2.30 pm on 27 July 2021 at the Royal Automobile Club, 89/91 Pall Mall, London SW1Y 5HS for the purpose of transacting the following business:

To consider and, if thought fit, pass the following Resolutions, of which Resolutions 1 to 11 will be proposed as Ordinary Resolutions and Resolutions 12 to 14 shall be proposed as Special Resolutions.

1. To receive the Report of the Directors and the Audited Accounts for the year ended 31 March 2021.
2. To approve the Directors' Remuneration Report (other than the part containing the Directors' remuneration policy) for the year ended 31 March 2021.
3. To declare a final dividend of 9.00p per Ordinary share.
4. To re-elect Simon Marrison as a Director.
5. To re-elect David Watson as a Director.
6. To re-elect Tim Gillbanks as a Director.
7. To re-elect Kate Bolsover as a Director.
8. To re-elect Sarah-Jane Curtis as a Director.
9. To re-appoint KPMG LLP (the "Auditor") as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
10. To authorise the Directors to determine the remuneration of the Auditors.

SPECIAL BUSINESS

Ordinary resolution

11. THAT, in substitution for all such existing authorities, the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to a nominal value of £26,181,455 (being approximately 33% of the total issued share capital of the Company as at the latest practicable date prior to publication of this Notice) provided that this authority shall expire at the date of the next Annual General Meeting of the Company (or, if earlier, at the close of business on 27 October 2022), save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require shares to be allotted or rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant rights pursuant to any such offers or agreements as if this authority had not expired.

SPECIAL RESOLUTIONS

12 THAT

(a) (in substitution for all such existing authorities and subject to the passing of Resolution 11 set out above) the directors be empowered pursuant to Section 570 and Section 573 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 11 above and/or to sell shares held by the Company as treasury shares for cash as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

(i) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities:

(aa) to shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(bb) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(ii) in the case of the authority granted under Resolution 11 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (i) above) of equity securities or sale of treasury shares up to a nominal amount of £3,966,887 (being approximately 5% of the total issued share capital of the Company as at the latest practicable date prior to publication of the notice of meeting),

(b) the power given by this resolution shall expire upon the expiry of the authority conferred by Resolution 11 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

13 THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company on such terms and in such manner as the directors may from time to time determine provided that:

(a) the maximum number of Ordinary shares hereby authorised to be purchased shall be 14.99% of the Company's Ordinary shares in issue at the date of the Annual General Meeting (equivalent to 47,570,911 Ordinary shares of 25p each at 3 June 2021, the latest practicable date prior to publication of this Notice);

(b) the maximum price (exclusive of expenses) which may be paid for any such share shall not be more than the higher of:

(i) 105% of the average of the middle market quotations for an Ordinary share as taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Company agrees to buy the shares concerned, and

(ii) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary share in the Company on the trading venue where the purchase is carried out at the relevant time;

(c) the minimum price (exclusive of expenses) which may be paid for an Ordinary share shall be 25p, being the nominal value per Ordinary share, and

(d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2022 (or, if earlier, at the close of business on 27 October 2022), save that the Company shall be entitled to enter into a contract to purchase Ordinary shares which will, or may, be completed or executed wholly or partly after the power expires and the Company may purchase Ordinary shares pursuant to such contract as if the power conferred hereby had not expired.

14 THAT, with effect from the conclusion of this meeting, the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification be hereby approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, the existing Articles of Association.

Registered Office:

Registered in England No: 84492 11-12 Hanover Street

London

W1S 1YQ

By Order of the Board

For and on behalf of

Link Company Matters Limited

Secretary

3 June 2021

NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

A member entitled to attend and vote at the meeting convened by the above Notice is entitled to appoint one or more proxies to exercise all or any of the rights of the member to attend, speak and vote in his or her place. Shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy, rather than any other named person who may not be permitted to attend the AGM in the event of restrictions or limits on attendance. A proxy need not be a shareholder of the Company. To appoint more than one proxy, the proxy form should be photocopied and the name of the proxy to be appointed indicated on each proxy form together with the number of shares that such proxy is appointed in respect of. Completion and submission of a proxy instruction will not preclude a member from attending and voting in person at the AGM (subject to any restrictions on physical attendance).

To be valid any proxy form or other instrument appointing a proxy must be returned by post, by courier or by hand to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or alternatively, by going to www.eproxyappointment.com and following the instructions provided. All proxies must be appointed by no later than 48 hours before the time of the AGM. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register in respect of the joint holding (the first named being deemed the most senior).

In order to be able to attend and vote at the AGM or any adjourned meeting (and also for the purpose of calculating how many votes a person may cast), a person must have his or her name entered on the Register of Members of the Company by 2.30 pm on 23 July 2021 (or 6.00 pm on the date two days before any adjourned meeting). Changes to entries on the Register of Members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Voting will be conducted on a poll at the Meeting. On a poll vote every shareholder will through their proxy have one vote for every ordinary share of which he or she is the holder.

Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communication from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on 27 July 2021 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Computershare Investor Services PLC (CREST Participant ID: 3RA50), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages.

Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

7. Any member attending the meeting (subject to any restrictions in place at the time of the meeting) has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. Questions of a very similar nature may be grouped together to ensure the orderly running of the AGM.

8. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.trproperty.com

9. Members satisfying the thresholds in section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the AGM, notice of a resolution which those members intend to move (and which may properly be moved) at the AGM. A resolution may properly be moved at the AGM unless:

   (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise), (ii) it is defamatory of any person; or (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.

10. Members satisfying the thresholds in section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the AGM any matter (other than a proposed resolution) which may properly be included in the business at the AGM. A matter may properly be included in the business at the AGM unless: (i) it is defamatory of any person; or (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the AGM.

11. Biographical details of the directors are shown on pages 38 and 39 of the Annual Report & Accounts

12. As at 3 June 2021 (being the latest practicable day prior to publication of this Notice), the issued share capital of the Company is 317,350,980 Ordinary shares of 25p each. Therefore, the total number of voting rights in the Company at 3 June 2021 is 317,350,980.

13. The terms of reference of the Audit Committee, the Management Engagement Committee, the Nomination Committee, the New Articles of Association and the Letters of Appointment for directors will be available for inspection for at least 15 minutes prior to and during the Company's AGM.

14. You may not use any electronic address provided either in this Notice or any related documents to communicate for any purposes other than those expressly stated.

15. The Company may process personal data of attendees at the Annual General Meeting. This may include webcasts, photos, recording and audio and video links, as well as other forms of personal data. The Company shall process such personal data in accordance with its privacy policy, which can found at https://www.trproperty.com/legal

NOTICE OF AGM

Explanation of Notice of Annual General Meeting

RESOLUTIONS 1, 2, AND 3: ACCOUNTS, DIRECTORS' REMUNERATION REPORT AND DIVIDEND

These are the resolutions which deal with the presentation of the audited accounts, the approval of the Directors' Remuneration Report and the declaration of the final dividend.

The vote to approve the Remuneration Report is advisory only and will not require the Company to alter any arrangements detailed in the report should the resolution not be passed.

The Board is proposing a final dividend for the year ended 31 March 2021 of 9.00p per ordinary share. If approved at the AGM, the Company would pay the dividend on 4 August 2021 to those shareholders on the Company's register at the close of business on 18 June 2021.

RESOLUTIONS 4, 5, 6, 7, AND 8: RE-ELECTION OF DIRECTORS

These resolutions deal with the re-election of Simon Marrison, Tim Gillbanks, David Watson, Kate Bolsover and Sarah-Jane Curtis. In accordance with the UK Corporate Governance Code, all directors will retire on an annual basis and have confirmed that they will offer themselves for re-election.

A performance evaluation has been completed and your Board has determined that each of the directors continues to be effective and demonstrates their commitment to their role Their biographical details, which are set out on pages 38 and 39, demonstrate how the Board has the appropriate balance of skills, experience independence and knowledge to lead the Company's long-term sustainable success. Accordingly, the Board unanimously recommends their re-election.

RESOLUTIONS 9 AND 10: AUDITORS

These deal with the reappointment of the Auditors, KPMG LLP, and the authorisation for the directors to determine their remuneration.

RESOLUTION 11: ALLOTMENT OF SHARE CAPITAL

Our Board considers it appropriate that an authority be granted to allot shares in the capital of the Company up to a maximum nominal amount of £26,445,915 (representing approximately one third of the Company's issued share capital as at 3 June 2021, being the latest practical date prior to publication of this Notice of the meeting). As at the date of this notice the Company does not hold any shares in treasury.

The directors have no present intention of exercising this authority and would only expect to use the authority if shares could be issued at, or at a premium to, the Net Asset Value per share.

This authority will expire at the earlier of close of business on 27 October 2022 and the conclusion of the Annual General Meeting of the Company to be held in 2022.

RESOLUTION 12: DISAPPLICATION OF STATUTORY PRE-EMPTION RIGHTS

This resolution would give the directors the authority to allot shares (or sell any shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings

This authority would be limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £3,966,887. This aggregate nominal amount represents 5% of the total issued share capital of the Company as at 3 June 2021, the latest practicable date prior to publication of this Notice. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The authority will expire at the earlier of close of business on 27 October 2022 and the conclusion of the Annual General Meeting of the Company to be held in 2022.

RESOLUTION 13: AUTHORITY TO MAKE MARKET PURCHASES OF THE COMPANY'S ORDINARY SHARES

At the AGM held in 2020, a special resolution was proposed and passed, giving the directors authority, until the conclusion of the AGM in 2021, to make market purchases of the Company's own issued shares up to a maximum of 14.99% of the issued share capital.

Your Board is proposing that they should be given renewed authority to purchase Ordinary shares in the market. Your Board believes that to make such purchases in the market at appropriate times and prices is a suitable method of enhancing shareholder value The Company would, within guidelines set from time to time by the Board, make either a single purchase or a series of purchases, when market conditions are suitable, with the aim of maximising the benefits to shareholders.

Where purchases are made at prices below the prevailing Net Asset Value per share, this will enhance the Net Asset Value for the remaining shareholders. It is therefore intended that purchases would only be made at prices below Net Asset Value. Your Board considers that it will be most advantageous to shareholders for the Company to be able to make such purchases as and when it considers the timing to be favourable and therefore does not propose to set a timetable for making any such purchases

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 enable companies in the United Kingdom to hold in treasury any of their own shares they have purchased with a view to possible resale at a future date, rather than cancelling them. If the Company does re-purchase any of its shares, the directors do not currently intend to hold any of the shares re-purchased in treasury. The shares so re-purchased will continue to be cancelled.

The Listing Rules of the UK Listing Authority limit the maximum price (exclusive of expenses) which may be paid for any such share. It shall not be more than the higher of:

(i) 105% of the average of the middle market quotations for an Ordinary share as taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Company agrees to buy shares concerned; and

(ii) the higher of the price of the last independent trade and the highest current independent bid for an Ordinary share in the Company on the trading venue where the purchase is carried out

The minimum price to be paid will be 25p per Ordinary share (being the nominal value). The Listing Rules also limit a listed company to purchases of shares representing up to 15% of its issued share capital in the market pursuant to a general authority such as this. For this reason, the Company is limiting its authority to make such purchases to 14.99% of the Company's Ordinary shares in issue at the date of the AGM; this is equivalent to 47,570,911 Ordinary shares of 25p each (nominal value £11,892,727) at 3 June 2021, the latest practicable date prior to publication this Notice The authority will last until the Annual General Meeting of the Company to be held in 2022

RESOLUTION 14: ADOPTION OF NEW ARTICLES OF ASSOCIATION

Resolution 14 relates to the adoption of new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles"), which were adopted on 14 December 2012. The New Articles reflect developments in best practice, and provide additional clarification and flexibility. The main changes in the New Articles are summarised in the Appendix on pages 106 and 107 Other changes, which are of a minor, technical or clarifying nature have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, at www.trproperty.com and will also be available at the Annual General Meeting.

RECOMMENDATION

Your Board believes that the resolutions contained in this Notice of Annual General Meeting are in the best interests of the Company and shareholders as a whole and recommends that you vote in favour of them as your Directors intend to do in respect of their beneficial shareholdings.

APPENDIX

Further information and Explanatory notes regarding amendments to the Company's articles of association

Sigma Shares and Deferred Shares

The New Articles amend the Current Articles to remove provisions and references relating to Sigma Shares and Deferred Shares. This reflects that on 14 December 2012 all Sigma Shares were consolidated and redesignated as Ordinary Shares, and the resulting Deferred Share was purchased by the Company for cancellation. The Company now has a single class of Ordinary Shares.

Untraced shareholders

The New Articles amend the position in relation to untraced shareholders. Rather than requiring the Company to take out two newspaper advertisements, the New Articles require the Company to use reasonable efforts to trace the shareholder. 'Reasonable efforts' to trace a shareholder may include, if considered appropriate, the Company engaging a professional asset reunification company or other tracing agent to search for a shareholder who has not kept their shareholder details up to date.

In addition, the New Articles provide that money from the sale of the shares of an untraced shareholder will be forfeited if not claimed after two years, rather than six years

These changes reflect best practice and provide the Company with appropriate flexibility in connection with locating untraced shareholders.

Sub-division of shares

The New Articles clarify that any shares resulting from a sub-division of the Company's existing shares may, in addition to having any preference or advantage as compared with the Company's other shares, also have deferred or other rights. This change makes administering any sub-division of shares more straightforward.

Operation of general meetings

The New Articles contain specific provisions to clarify that the Company can hold "hybrid" general meetings (including annual general meetings) and to set out how such meetings are to be conducted. Under the New Articles, the Company may hold "hybrid" general meetings in such a way that enables members to attend and participate in the business of the meeting by attending a physical location or by attending by means of an electronic facility. Voting at hybrid meetings will, by default, be decided on a poll. Hybrid meetings may be adjourned in the event of a technological failure.

The New Articles allow the Company, where appropriate, to make changes to the arrangements for general meetings (including the introduction, change or cancellation of electronic facilities) after notice of the meeting has been issued The Company may give notice of any such changes in any manner considered appropriate (rather than via an advertisement in two national newspapers). The New Articles also explicitly allow the Company to introduce health and safety arrangements at its meetings.

These changes were introduced to provide the Board greater flexibility to align with technological advances, changes in investor sentiment and evolving best practice, particularly in light of the Covid-19 outbreak and the uncertain duration of social distancing measures and restrictions on gatherings. The Board believes that hybrid meetings will allow for greater shareholder and stakeholder engagement over the coming years in a way that is more convenient for all parties. Absent exceptional circumstances, members of the Board intend to continue the practice of attending general meetings of the Company in person. In line with the views expressed by the Investment Association and Institutional Shareholder Services, the changes will not permit meetings to be held exclusively on an electronic basis, so a physical meeting will still be required. In deciding whether and how to hold a hybrid general meeting in future, the Company will have regard to the views of shareholders and institutional governance bodies at the relevant time as well as to relevant guidance or codes of best practice.

The New Articles also specifically refer to the possibility of satellite/multi-venue meetings, such as the use of overflow rooms. Satellite meetings are legally valid even without such a provision but it has been added for clarity.

These changes are primarily contained in articles 47, 48, 50 and 53 in the New Articles. A number of other consequential amendments have been made to the New Articles.

Objections or Errors in Voting

In relation to the statutory requirement that a proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed, the New Articles state explicitly that the company is not required to check that proxies and corporate representatives have voted in accordance with their instructions or that their failure to do so would vitiate the result of a shareholder vote.

Number of directors

The New Articles reflect the statutory minimum of two directors, and introduce a maximum of 10 directors.

Reappointment of directors

In line with the requirements of the UK Corporate Governance Code, the New Articles require directors to retire (and should they wish to remain in office, seek re-election) at each annual general meeting. This requirement does not apply to directors in their first year of appointment who were appointed in the period between the AGM notice being issued and the AGM itself. This confirms existing Company practice.

Directors' fees

The Current Articles provide that the aggregate of all fees paid to directors shall not exceed £250,000 per annum. Article 88 of the New Articles increases this amount to £300,000 to reflect the amount approved by resolution of the Company on 22 July 2014

Borrowing Powers

The New Articles include in the definition of "borrowings" the minority proportion of moneys borrowed by a member of the group and owing to a partly-owned subsidiary undertaking (with "the minority proportion" meaning a proportion equal to the proportion of the issued share capital of a partly-owned subsidiary undertaking which is not attributable to a member of the group).

Forfeiture of unclaimed dividends
The Current Articles provide that if a dividend or other payment due to members has not been claimed for twelve years after being declared or becoming due, it will be forfeited to the Company Article 122 of the New Articles reduces this period from twelve to six years.

Payments of dividends and other amounts
The New Articles give the Board greater flexibility to determine the appropriate method(s) it pays dividends (and other sums) to shareholders. This flexibility will help the Board take account of developments in market practice and keep down the administrative cost of making payments. The New Articles also provide that where a payment cannot be made because a shareholder has not provided valid account details to the company, that amount will treated as unclaimed until the shareholder provides those details.

Capital Reserve
The New Articles remove Article 132 in the Old Articles, which was included to ensure that the company qualifies as an investment trust and is treated as an investment company. Following the modernisation of the investment trust regime and amendments to legislation abolishing the restriction on the ability to distribute capital profits, this provision is no longer necessary.

Strategic report and supplementary materials
The Companies Act 2006 and the Companies (Receipt of Accounts and Reports) Regulations 2013 allow the Company to send a copy of its strategic report with supplementary material instead of its full accounts to a member who has elected or tacitly agreed to receive these documents, provided that the Company is not prohibited from doing so in its articles. Article 129 is intended to make it clear there is no such prohibition. Shareholders should note that they can always view the full annual report on the Company's website or request a hard copy from the Company's registrar

Gender Neutral Drafting
The New Articles amend the Current Articles so that gender neutral language is used.

General
Other changes which are of a minor, technical or clarifying nature or which have been made to remove provisions in the Current Articles which duplicate English company law are not noted

Directors and Other Information

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

REGISTERED OFFICE
3rd Floor
11-12 Hanover Street
London W1S 1YQ

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

AIFM
BMO Investment Business Limited
Exchange House
Primrose Street
London EC2A 2NY

PORTFOLIO MANAGER
Thames River Capital LLP, authorised and regulated by the Financial Conduct Authority
3rd Floor
11-12 Hanover Street
London W1S 1YQ
Telephone 020 7011 4100

FUND MANAGER
M A Phayre-Mudge MRICS

FINANCE MANAGER AND INVESTOR RELATIONS
J L Elliott ACA

DEPUTY FUND MANAGER
A Lhonneur

DIRECT PROPERTY MANAGER
G P Gay MRICS

SECRETARY
Link Company Matters Limited
6th Floor, 65 Gresham Street
London EC2V 7NQ

REGISTRAR
Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZY
Telephone 0370 707 1355

AUDITOR
KPMG LLP
15 Canada Square
London E14 5GL

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

Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

SOLICITORS
Slaughter and May
One Bunhill Row
London EC1Y 8YY

DEPOSITARY, CUSTODIAN AND FUND ADMINISTRATOR
BNP Paribas Securities Services
10 Harewood Avenue
London NW1 6AA

WEBSITE
www.trproperty.com

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

aic
The Association of
Investment Companies

General Shareholder Information

RELEASE OF RESULTS

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

ANNUAL GENERAL MEETING

The AGM is held in London in July.

DIVIDEND PAYMENT DATES

Dividends are usually paid on the Ordinary shares as follows

Interim: January
Final: August

DIVIDEND PAYMENTS

Dividends can be paid to shareholders by means of BACS (Bankers' Automated Clearing Services); mandate forms for this purpose are available from the Registrar. Alternatively, shareholders can write to the Registrar (the address is given on page 108 of this report) to give their instructions; these must include the bank account number, the bank account title and the sort code of the bank to which payments are to be made.

DIVIDEND RE-INVESTMENT PLAN ('DRIP')

TR Property Investment Trust plc offers shareholders the opportunity to purchase further shares in the Company through the DRIP. Please note that following Brexit shareholders in Europe are no longer able to participate in the DRIP. DRIP forms may be obtained from Computershare Investor Services PLC through their secure website www.investorcentre.co.uk, or by phoning 0370 707 1694. Charges do apply; dealing commission of 0.75% (subject to a minimum of £2.50). Government stamp duty of 0.5% also applies.

SHARE PRICE LISTINGS

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

SHARE PRICE INFORMATION

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

BENCHMARK

Details of the benchmark are given in the Strategic Report on page 24 of this Report and Accounts. The benchmark index is published daily and can be found on Bloomberg;

FTSE EPRA/NAREIT Developed Europe Capped Net Total Return Index in Sterling
Bloomberg. TRORAG Index

INTERNET

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

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

DISABILITY ACT

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

You can contact the Registrar, Computershare Investor Services PLC, which has installed textphones to allow speech and hearing impaired people who have their own textphone to contact them directly, without the need for an intermediate operator, by dialling 0870 702 0005. Specially trained operators are available during normal business hours to answer queries via this service.

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

NOMINEE SHARE CODE

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

CGT BASE COST

Taxation of capital gains for shareholders who formerly held Sigma shares

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

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

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

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

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

Investing in TR Property Investment Trust plc

MARKET PURCHASES

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

HOLDING SHARES IN CERTIFICATED FORM

Investors may hold their investment in certificated form. Our registrars, Computershare operate a dealing service which enables investors to buy and sell shares quickly and easily online without a broker or the need to open a trading account. Alternatively the Investor Centre allows investors to manage portfolios quickly and securely, update details and view balances without annual charges Further details are available by contacting Computershare on 0370 707 1355 or visit www.computershare com.

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

SAVING SCHEMES, ISAS AND OTHER PLANS

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

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

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

interactive investor (ii)

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

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

TR Property is also on the interactive super 60 rated list.

BMO Asset Management Limited ("BMO")

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

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

Saving Schemes and ISAs transferred from Alliance Trust Savings (ATS) BNP Paribas

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

In 2012 BNP Paribas closed down the part of their business that operated Savings Schemes and ISAs. Investors were given the choice of transferring their schemes to Alliance Trust Savings ("ATS") or to a provider of their own choice, or to close their accounts and sell the holdings.

If investors did not respond to the letters from BNP Paribas, their accounts were transferred to ATS.

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

SHARE FRAUD AND BOILER ROOM SCAMS

Shareholders in a number of Investment Trusts have been approached as part of a share fraud where they are informed of an opportunity to sell their shares as the company is subject to a takeover bid. This is not true and is an attempt to defraud shareholders. The share fraud also seeks payment of a "commission" by shareholders to the parties carrying out the fraud.

Shareholders should remain alert to this type of scam and treat with suspicion any contact by telephone offering an attractive investment opportunity, such as a premium price for your shares, or an attempt to convince you that payment is required in order to release a settlement for your shares These frauds may also offer to sell your shares in companies which have little or no value or may offer you bonus shares. These so called "boiler room" scams can also involve an attempt to obtain your personal and/or banking information with which to commit identity fraud.

The caller may be friendly and reassuring or they may take a more urgent tone, encouraging you to act quickly otherwise you could lose money or miss out on a deal.

If you have been contacted by an unauthorised firm regarding your shares the FCA would like to hear from you. You can report an unauthorised firm using the FCA helpline on 0800 111 6768 or by visiting their website, which also has other useful information, at www.fca.org.uk

If you receive any unsolicited investment advice make sure you get the correct name of the person and organisation. If the calls persist, hang up If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

Please be advised that the Board or the Manager would never make unsolicited telephone calls of such a nature to shareholders.

How to Invest

One of the most convenient ways to invest in TR Property Investment Trust plc is through one of the savings plans run by [illegible]

BMO ISA

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

BMO JUNIOR ISA (JISA)

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

BMO LIFETIME ISA (LISA)

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

BMO CHILD TRUST FUND (CTF)

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

BMO GENERAL INVESTMENT ACCOUNT (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

BMO JUNIOR INVESTMENT ACCOUNT (JIA)

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

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

CHARGES

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

ANNUAL ACCOUNT CHARGE

ISA/LISA: £60+VAT
GIA: £40+VAT
JISA/JIA/CTF: £25+VAT

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

DEALING CHARGES

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

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits.

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

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

HOW TO INVEST

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

Online applications are not available if you are transferring an existing plan with another provider to BMO, or if you are applying for a new plan in more than one name but paper applications are available at bmoinvestments.co.uk/documents or by contacting BMO.

NEW CUSTOMERS

Call: 0800 136 420
Email: info@bmogam.com

EXISTING PLAN HOLDERS

Call: 0345 600 3030
Email: investor.enquiries@bmogam.com
By post:

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

bmoinvestments.co.uk

facebook.com/bmoinvestmentsuk

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

BMO

BMO ASSET MANAGEMENT LIMITED

BMO Asset Management Limited is authorised and regulated by the Financial Conduct Authority and is a member of BMO Global Asset Management EMEA of which the ultimate parent company is the Bank of Montreal. 737510_G56_05/21_UK

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