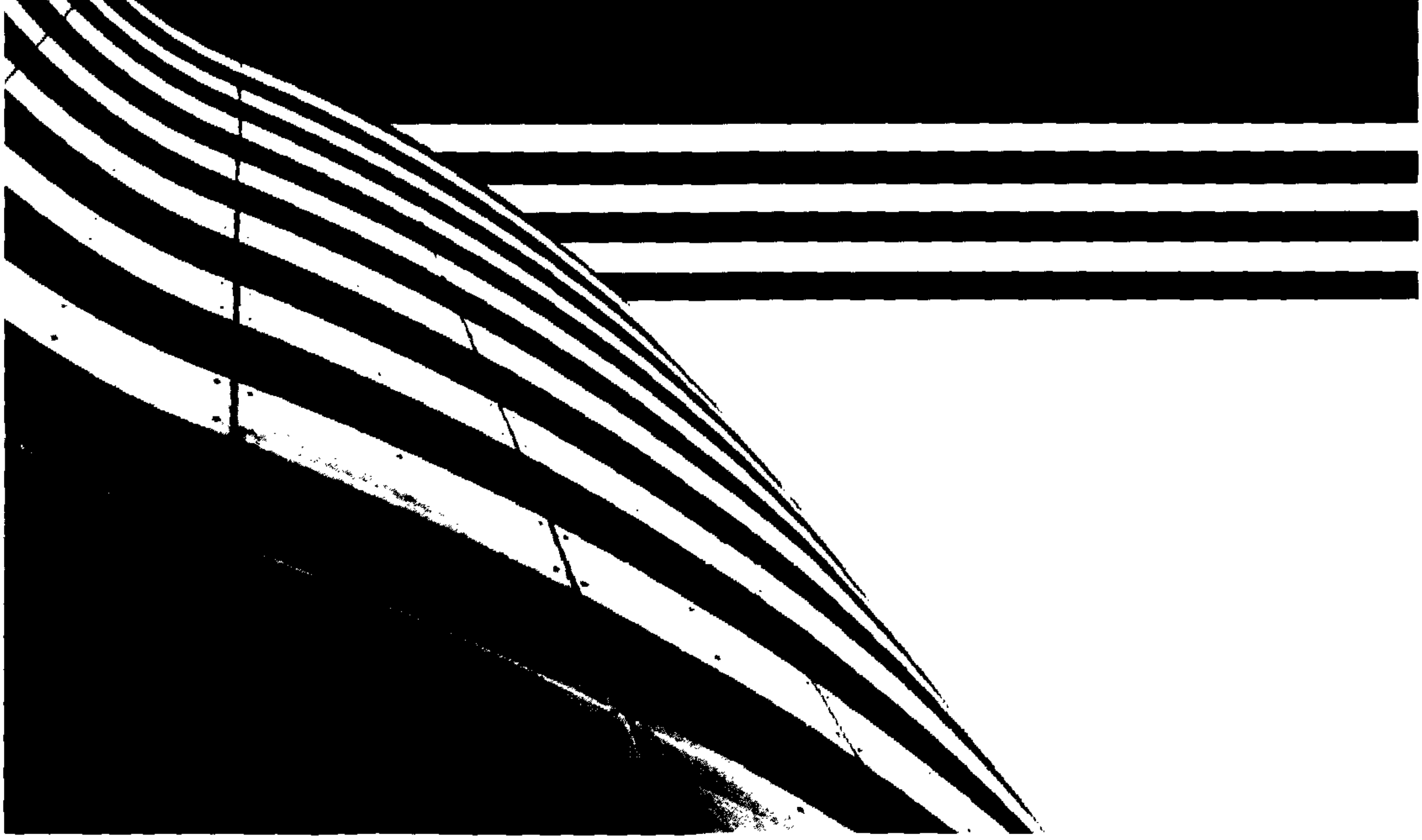
TR Property

TR PROPERTY INVESTMENT TRUST PLC

Annual Report



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') 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 34 and the entire portfolio is shown on page 27.

Investment manager

Columbia Threadneedle Investment Business Limited acts as the Company's alternative investment fund manager ('AIFM') with portfolio management delegated to Thames River Capital LLP (the 'Portfolio Manager' 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 investment performance. Details of how the Board operates and fulfils its responsibilities are set out in the Report of the Directors on page 47.

Performance

The Financial Highlights for the current year are set out on page 2 and Historical Performance can be found on page 3. Key Performance Indicators are set out in the Strategic Report on pages 35 and 36.

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 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 company.

Further information

General shareholder information and details of how to invest in the Company, including investment through an ISA or savings scheme, can be found on pages 118 onwards. This information can also be found on the Company's website www.trproperty.com

Financial highlights and performance

	Year ended 31 March 2023	Year ended 31 March 2022	Change
Balance Sheet			
Net asset value per share	**305.13p**	492.43p	-38.0%
Shareholders' funds (£'000)	**968,346**	1,562,739	-38.0%
Shares in issue at the end of the year (m)	**317.4**	317.4	+0.0%
Net debt[1,6]	**12.3%**	10.2%	
Share Price			
Share price	**279.00p**	456.50p	-38.9%
Market capitalisation	**£885m**	£1,449m	-38.9%

	Year ended 31 March 2023	Year ended 31 March 2022	Change
Revenue			
Revenue earnings per share	**17.22p**	13.69p	+25.8%
Dividends[2]			
Interim dividend per share	**5.65p**	5.30p	+6.6%
Final dividend per share	**9.85p**	9.20p	+7.1%
Total dividend per share	**15.50p**	14.50p	+6.9%
Performance: Assets and Benchmark			
Net Asset Value total return[3,6]	**-35.5%**	+21.4%	
Benchmark total return[6]	**-34.0%**	+12.2%	
Share price total return[4,6]	**-36.2%**	+19.9%	
Ongoing Charges[5,6]			
Including performance fee	**0.73%**	2.19%	
Excluding performance fee	**0.73%**	0.60%	
Excluding performance fee and direct property costs	**0.67%**	0.58%	

1 Net debt is the total value of loan notes, loans (including notional exposure to CFDs and Total Return Swaps) 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 2023. An interim dividend of 5.65p was paid on 12 January 2023. A final dividend of 9.85p (2022: 9.20p) will be paid on 1 August 2023 to shareholders on the register on 30 June 2023. The shares will be quoted ex-dividend on 29 June 2023.

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 106.

Historical performance

for the year ended 31 March 2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Performance for the year:											
Total Return (%)											
NAV[A]	21.5	22.4	28.3	8.2	8.0	15.5	9.1	-11.5	20.7	21.4	-35.5
Benchmark[B]	17.8	14.9	23.3	5.4	6.5	10.2	5.6	-14.0	15.9	12.2	-34.0
Share Price[C]	25.8	37.7	29.5	-1.6	9.1	25.5	6.2	-16.8	28.3	19.9	-36.2
Shareholders' funds (£'m)											
Ordinary shares	684	809	1,010	1,065	1,118	1,256	1,328	1,136	1,326	1,563	968
Ordinary shares											
Net revenue (pence per share)											
Earnings	6.74	8.09	8.89	8.36	11.38	13.22	14.58	14.62	12.25	13.69	17.22
Dividends	7.00	7.45	7.70	8.35	10.50	12.20	13.50	14.00	14.20	14.50	15.50
NAV per share (pence)	215.25	254.94	318.12	335.96	352.42	395.64	418.54	358.11	417.97	492.43	305.13
Share price (pence)	186.30	247.50	310.50	297.50	314.50	382.50	394.00	317.50	392.50	456.50	279.00
Indices of growth [illegible]											
Share price[E]	100	133	167	160	169	205	211	170	211	245	133
Net Asset Value[F]	100	118	148	156	164	184	194	166	194	229	142
Dividend Net[D]	100	106	110	119	150	174	193	200	203	207	221
RPI	100	102	103	105	108	112	115	118	119	130	148
Benchmark[G]	100	107	128	131	136	146	149	124	141	155	99

Figures have been prepared in accordance with UK-adopted international accounting standards.

(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 106.

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

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

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

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

Chairman's statement

> Markets have had to absorb huge increases in the cost of capital and real estate equities have suffered consequential price adjustments. However, this is an unusual cycle where both interest rates and rents are rising. In many of our markets property fundamentals are sound and we see few signs of over-supply.

David Watson

This has been a very difficult year for the property market, for property shares and for the Company. Net asset value total return was -35.5%, slightly worse than our benchmark at -34.0%. The share price total return was -36.2% as the discount between the NAV and the share price widened slightly, reflecting weaker investor sentiment as a whole. Although the change in the second half was modest (first half NAV total return of -33 6% March to September 2022) we have experienced some very dramatic price action in the intervening six months

Macro-economic forces continued to dominate The drivers and trajectory of inflation remained everyone's focus. Central bankers appeared as unsure of the consequences of their actions as market participants. Volatility remained elevated. Whilst our total return figures are clearly very poor, the autumnal rally in property stocks, somewhat punctured (in the UK) by political events in November, did resume in earnest in January. This three month rally, based squarely on a change in the expected trajectory of interest rates, gave us, at last, a taste of a more optimistic attitude towards our asset class. The last few weeks of the financial year saw market sentiment damaged by the failure of two regional banks in the US and the final take out of Credit Suisse. This raised knee-jerk concerns of bank contagion which here feels sensationalist given the enhanced levels of regulatory oversight and controls on European banks post the global financial crisis.

Your investment management team have a long track record of alpha generation through dynamic stock selection. It is fair to say that the investment dynamics of the last 12 months have not been their preferred context. The dramatic price falls and bear market rallies have been largely undiscriminating between the good and the bad. Forced sellers were interested in volume not price Small caps, as usual, struggled in these conditions This macro-driven environment is hopefully, finally, abating as investors appear increasingly interested in differentiating between individual companies' prospects following the significant correction

Our investment universe has now seen a number of companies who have suspended or reduced dividends These were, in the main, the likely suspects and it would be a surprise to us if many others now emerge given the economic cycle. One of the core attractions of real estate investing is the potential of indexed income and this is showing through and remains our focus

Earnings per share increased by 26% from 13.69p per share to 17.22p. This is an all-time high. Although company earnings did in general recover to pre-Covid-19 levels, our headline earnings were further flattered by changes in the timing of some dividend payments. More detail of this is set out in the Manager's report.

The Board is pleased to announce a final dividend of 9.85p taking the full year dividend to 15.50p, representing a 6.9% increase. In determining the dividend the Board has been very sensitive to investor appetite for income but has also been conscious of the underlying income growth and the potential impact of interest and exchange rates on future earnings.

Following a record level of earnings in 2022/23, the Board expect to report a reduction in net income for the year to 2023/24. This is not only as a result of the non-recurrence of certain items which enhanced the current year earnings, but also because of the number of companies that have announced dividend cuts or suspensions. All companies have had to adjust to the change in the price of debt. For some the impact has been immediate, while for others it will be somewhat delayed as they continue to benefit from historic fixed rates. However, on the income side of the equation, index-linked rents will benefit. Companies need to balance the pluses and minuses and some have reacted quickly and cautiously to protect their balance sheets. The medium to longer-term outlook for interest rates is difficult to predict so it could be a while before companies feel confident about the longer-term outlook.

Gearing at 12.3% is an almost identical figure to that at the half year. Inevitably these numbers are just snapshots in time; the level of gearing has varied in response to the market volatility and as investment opportunities have occurred.

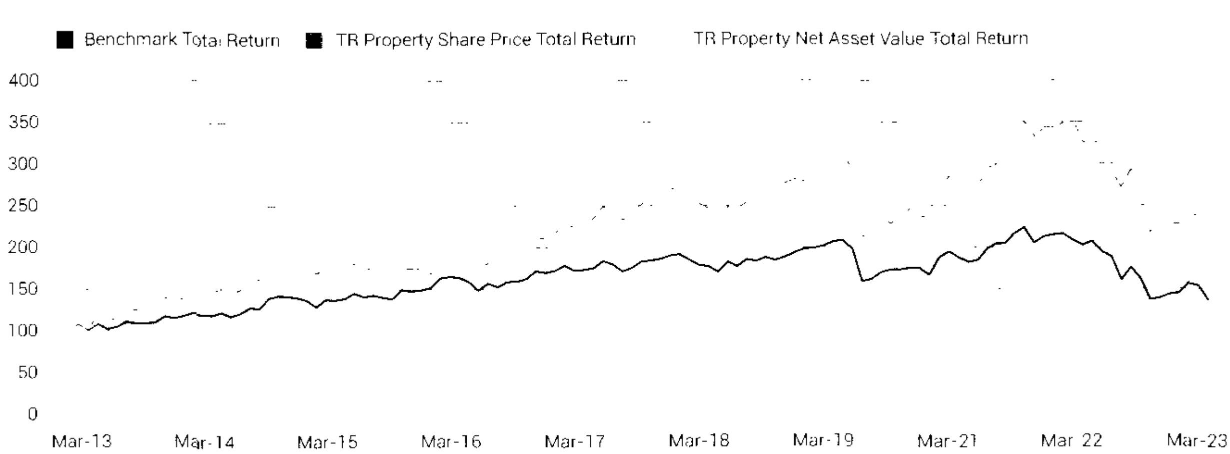
Sterling weakened over the year by just over 4%. This marginally enhanced our income account as non-sterling dividends were worth more in sterling terms.

As our balance sheet is denominated in sterling a weaker pound served to help the reported value of non-sterling assets. The balance sheet exposure remains materially in line with the benchmark as we hedge exposure to match the benchmark.

The discount of the share price to the NAV widened slightly over the year from -7.3% to -8.6%. However, the spread over the year has been much wider, swinging between close to -1% and over -10%. This volatility is indicative of the rapid changes in sentiment towards the sector. The average over the year under review was -5.8%, close to the 10-year average of -4.9% and an improvement on the -6.6% average since the invasion of Ukraine.

In light of the transient nature of the discount volatility, no share buy-backs or issues were made during the year

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



I reported at the half year that we had commenced the search for a new Director who would broaden and strengthen the Board and add diversity of age, experience and ethnicity. In January this year we were delighted to announce the appointment of Busola Sodeinde to the Board as an independent Non-Executive Director and we have greatly appreciated her early insight and perspective on a wide range of issues.

We also announced my intention to step down from the Board with effect from the conclusion of the forthcoming AGM. As announced, Kate Bolsover will succeed me as Chairman and Tim Gillbanks will succeed Kate as Senior Independent Director.

ESG reports within annual accounts are becoming longer and contain more and more detail. This is wholly appropriate for an operating company and we welcome the additional disclosure. As an investment trust company and primarily an investor in companies, we have to think about what ESG should mean for us.

Our ESG approach covers three areas. Firstly, the governance and policies which apply directly to the investment trust as a Company under the direct control of the Board. Secondly, ESG considerations as part of the investment process for our equity portfolio adopted by our Manager. Although our Manager cannot have any direct control over ESG policies in underlying investee companies, it can, and does, use its influence carefully through corporate voting and engagement with the companies in which we invest. Thirdly, our Manager does have control over our direct property portfolio and here we continue to drive for greater energy efficiency and environmental care in all that we do.

Our Responsible Investment Report on pages 16 to 25 sets out our approach in each of these areas with some case study examples. This is of course an area of active evolution.

Macro considerations continue to dominate. Markets have had to absorb a huge adjustment in the cost of capital and real estate equities have certainly borne their share of price adjustments. However, this is an unusual cycle where both rates and rents are rising. In many of our areas of focus, real estate market fundamentals are sound and we see few signs of over-supply. Our central assumption is that the interest rate cycle will peak this year but that inflation will remain above central banks' targets. Listed property companies are generally more conservatively geared than their private counterparts and this should stand them in good stead. The sector has been hit hard and many of our companies are trading at large discounts to asset values that have also been recalibrated. As in previous cycles, if the sector is undervalued then private capital will be quick to step in. Just after the year end, Industrials REIT, one of the Company's 10 largest holdings, announced a recommended bid for cash at a 40% premium to the undisturbed share price. More recently in early May, Civitas, the social housing landlord announced a cash bid from an Asian conglomerate at a similar premium. These businesses are chalk and cheese but both have proved attractive to very different groups of investors. These events remind us that, for many, real estate is seen as a crucial part of the investment jigsaw particularly in these inflationary times.

David Watson

Manager's report

> For a sector where returns are anchored by income, these levels of volatility and multiple directional shifts are almost unparalleled. The whole period has been dominated by the ebbs and flows around interest rate expectations and real estate fundamentals have taken the proverbial back seat. However, looking forward, we anticipate a renewed focus on those sectors offering rental growth.

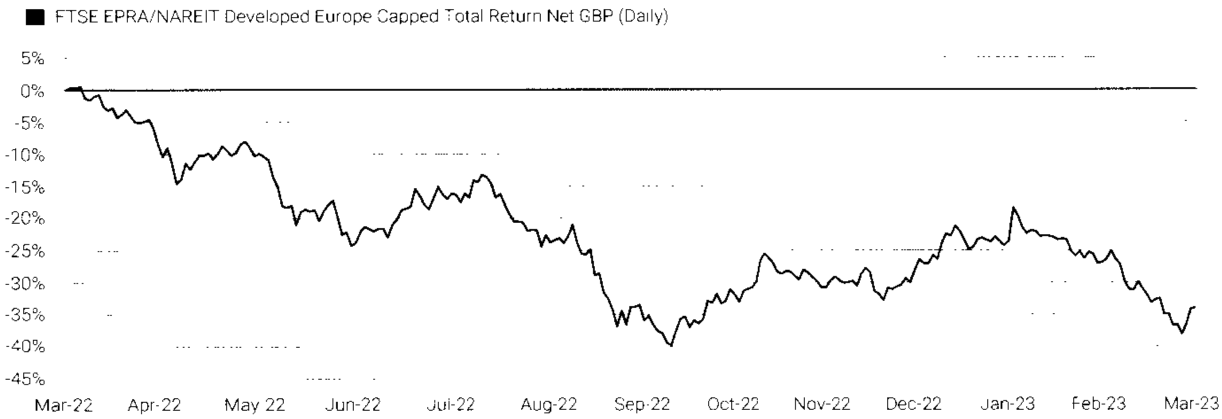
Marcus Phayre-Mudge
FUND MANAGER

The Company's net asset value ('NAV') total return for the 12 months to 31 March 2023 was -35.5%, whilst the benchmark, FTSE EPRA/NAREIT Developed Europe TR (in GBP), fell -34.0%. These figures are clearly disappointing but not materially different from those reported at the half year, where the NAV had fallen -33.6% in the first six months of the financial year. Equally important to note is that these figures are snapshots in very volatile times. To illustrate the point, the first four months of the second half of the financial year (i.e. October to January) saw our universe rally +14.5% only to then give up all of those gains in the subsequent nine weeks. The end result was a finish to the year which was marginally worse than where we were at the half year stage.

In the half year review, I wrote that shareholders will no doubt be concerned that given the scale of the correction, the direction of travel was obvious and more protective action should have been taken. It always looks clear in hindsight but as we walk through the year in the next few paragraphs, the dramatic swings in sentiment will help explain some of the difficulties we faced in trying to rotate the portfolio into the headwinds, avoid the rip currents but then also catch the spring tides of sentiment recovery.

The first quarter of the financial year saw the sector fall 24% as investors really focused on the impact of rising interest rates. However, you could still have made money over a four-week period (in May and early June) and this highlights the sense of sentiment rather than facts driving markets in mid-2022. Everyone became central bank-focused whilst real estate fundamentals were ignored. July saw a strong reversal (+9.5%) as bond markets responded to the theme that rising interest rates were having the required deflationary effect. However, the summer break was followed by hawkish statements from the US Federal Reserve at Jackson Hole and our benchmark fell -30% between mid-August and mid-October as investors began to believe the 'higher for longer' mantra. This severe bout of pessimism was then followed by a +25% rally in pan-European property stocks between mid-October and the end of January. The tail end of the financial year saw this recovery then ebb away with the sector falling 13% in the last two months of the financial year.

Benchmark Performance



For a 'value' sector where returns are driven – year in, year out – by income, these levels of volatility and multiple directional shifts are almost unparalleled What is happening? Essentially, the whole period has been dominated by the ebbs and flows around interest rate expectations and bond market behaviour. Real estate fundamentals have taken the proverbial back seat. A longstanding real estate equity market observer with over 30 years' experience recently wrote to clients 'I can't recall a period of time when capital values have fallen so sharply and yet occupier demand in most sectors has remained pretty robust'. I have reproduced the statement verbatim as it neatly encapsulates the environment we find ourselves in. In other words, yields are rising but so are rents, this is atypical. It is now clear that, through 2022, I placed too much emphasis on this quality of earnings (and indeed earnings growth) in many of our companies. The market paid little heed, choosing to focus on the impact of rising yields/capitalisation rates on asset values

The speed at which central banks responded, as inflation gathered pace, took many participants by surprise. The rising cost of debt affected all property stocks, but it had the greatest impact on two particular cohorts of companies Those companies which had successfully utilised unsecured bond market financing now discovered that this source of (re)financing was effectively shut. German residential businesses, particularly the larger ones, Vonovia, LEG and the more diversified Aroundtown (part owner of Grand City Properties), are all seeing their cost of debt rise dramatically as the expiry of existing bonds require refinancing. The other heavily impacted group were those with higher loan to value compounded by high levels of floating rate debt. The impact on earnings for this group has been dramatic and the majority of Swedish companies fall into this category. Both these cohorts share a couple of similar outcomes; firstly, those companies which have reduced or suspended dividends are disproportionately represented and secondly, these two groups have experienced the greatest volatility within our universe. To illustrate the point, Swedish property companies collectively fell 40.5% in the year to 31 March 2023 however, within that period there were three sharp bear market rallies of +17% (May), +39% (July to mid-August) and +53% (mid-October to the end of January). These groups were highly susceptible to changes in sentiment towards the outlook for rates and margin on new (or refinanced) debt instruments.

Previously, I have written about the merits of the market fundamentals of German residential. The vast supply/demand imbalance and the persistent widening of the gap between regulated rents and open market values remains in place. What has been most frustrating is that our largest relative position in that area is Phoenix Spree Deutschland, which has no refinancing requirements until 2026 and is a market minnow (portfolio value less than €750m) where all sales, however few, will make a difference performed in line with its larger cousins.

Collectively the market capitalisation of the German residential businesses reduced by 57%. Meanwhile, the underlying asset values have corrected less than 10% in the year and top line earnings have grown with vacancy levels stable and the 'mietspegiel' (the rent table) continuing to increase rents, albeit at a sub-inflationary rate The asset class offers consistently low vacancy, steady rental growth and the opportunity to move to market rents through refurbishment or sales to owner-occupiers As a result, yields steadily tightened as the cost of finance fell. By the beginning of 2022, capitalisation rates were below 3%, fully reflecting the stability and low risk profile of the income. At such low capitalisation rates, a modest reversal upwards of 100bps has a very dramatic effect on valuation.

Much the same effect was felt in the valuation of the other low yielding sector - industrial/logistics. This sector had enjoyed a surge in investor demand as strong rental growth fuelled the attractiveness of the asset class and we saw capitalisation rates tighten dramatically over the last three years. Again, the impact of the abrupt rise in the cost of debt led to a quick reversal in yields. However, unlike regulated residential rents in Germany, which deliver sub-inflationary growth, we are confident that strong rental growth will persist in industrial/logistics property given market fundamentals.

Offices continue to be the sector most under scrutiny and rightly so. The repercussions and evolution of the working from home ('WFH') regime are still being worked through by tenants and landlords. Much has already been written on the topic and firm conclusions are hard to pin down given the speed of change. However, we are confident that since the half year we have seen more data to support our current thesis. Offices remain crucial infrastructure for knowledge-based businesses – physical interaction is a vital part of business life. However, the amount of space required has reduced whilst crucially the demand for better quality space has risen. This demand for better quality working environment is augmented by the requirement for better energy efficiency and green credentials. The result is a historically wide market bifurcation between best in class, well located, energy efficient buildings and the rest. Offices account for approximately 15% of our benchmark and well over 50% of that exposure is to London and Paris, hence our focus on those markets in this commentary.

Gecina, our largest European office exposure (see top 12 holdings) in their Q1 2023 results highlighted that their prime inner Paris assets recorded an eye-catching 30% reversion, whilst their outer ring assets saw negative reversion. Overall rental growth was positive at 7% but that statistic highlights the gulf between the growth achieved in central assets and the rest. Covivio, which owns offices in Paris, Milan and several German cities reported the same phenomenon, with central Milan recording solid demand and rental growth. Central London office vacancy is elevated at 8%, however the divide between West End (3.7%) and the City (11.9%) is almost as stark as it has ever been. The situation in Docklands is even more dire with a number of major financial institutions who have announced either a reduction in their space requirements (including HSBC, Citi and JPMorgan) or wholesale relocation (e.g. Clifford Chance). In the case of the latter, the firm is also cutting its space requirements by 40%. One should be careful not to read single statistic across to the wider market as that particular firm has had excess space in Canary Wharf for several years. This increasing vacancy in financial services-focused districts such as Canary Wharf, La Defense and further afield Lower Manhattan is a reflection of both WFH but also the lack of headcount growth. This is a particular problem in London where post Brexit, global financial services businesses continue to increase their footprint in Paris, Frankfurt and Dublin at the expense of London.

This bifurcation of 'best and the rest' can be clearly seen in recent valuation in the specialist London office landlords. Great Portland reported in their H1 2023 results a divergence in performance based on their buildings' EPC (energy efficiency) ratings. Those at the highest levels (A&B) saw value declines of 2.5% whilst C&D rated were -4.2%. Derwent London produced data based on values per foot. The most valuable (>£1,500 per ft) saw capital drift of -3.5% and rental growth of +2%, whilst the least (<£1,000 per ft) saw value falls of -11.8% and rental growth of just 0.3%.

Even though the best in class continues to enjoy steady rental growth, this is partly due to its scarcity. The bulk of all office markets are made up of much more average product and take up levels in the post pandemic world have been weak. Paris Centre West (the core) saw available supply fall year on year (-19%) whilst it rose in all other markets. The further out, the greater the supply, with La Defense just +4% whilst the Inner Rim (+35%).

All of this has fed through into negative sentiment towards all offices except the best quality in the best locations. MSCI/IPD's office sector capital decline in H2 2022 was -15.7%, underperforming retail which fell 14.5%. Central London initial yield has moved 80bps from 4.8% (December 2021) to 5.6% (January 2023). As discussed many times, the UK's independent valuer community have always attempted to mark-to-market rather than the Continental approach which is more 'mark-to-model'. The latter approach results in a smoother correction of values but can equally lead to the criticism that valuations are woefully historic when markets are correcting fast. As a result, we feel that highlighting the modest moves in Continental European valuations in H2 2022 would be misleading. They will catch up over the course of 2023 and beyond.

Retail

It feels as though this much maligned asset class has finally passed through the worst of the impact of the shift to online retailing, the way we search for products (and pricing) as well as the increasing demand for entertainment/leisure ahead of more 'stuff'. The huge reduction in values has been felt more acutely in the UK. Alongside the differences between the UK and Continental European shopping malls, it is also crucial to highlight the sub-sectors within retail as they have, largely, performed very differently over the last few years.

The worst performing group remains the larger malls which are, quite simply, too big with an excess of floor space, often a shuttered department store (or two) and a service charge with a chunky non-recoverable element (due to voids). None of this is new information I hear you say Agreed However, the update is that we have now seen capitulation by landlords (and lenders), rents have re-rated (often halving) and vacant space beginning to be repurposed for other uses. Malls must become community hubs with a range of (lower value) uses such as fitness, medical uses, nurseries, day care etc *Landsec successfully acquired the 50% of the St David's* Centre in Cardiff which they did not own. The seller was the administrator of Intu and Landsec acquired the outstanding loans on the asset. The price equated to a yield of over 9% on a rent roll which has dropped materially over the last decade We are confident that at the right rents (and yields) those centres which can reinvent themselves such as this dominant city centre asset will deliver acceptable returns.

The strongest sub-sector remains retail warehousing and outlet malls. For different reasons both offer retailers sales channels which complement online. In the case of the former, it is the convenience and pricing of edge of and out of town retail parks. Free home delivery will become unsustainable from both a profit and an ESG perspective. Click and collect and free returns to store will drive demand for these super convenient locations. The Company is a large holder of Ediston Property which has announced a strategic review given the subscale size of the business. We are hopeful that this will provide further evidence of supportive valuations in the sector. Outlets help retailers offload lines without damaging full price/premium offerings The success of the likes of Bicester Village (where Hammerson have a non-controlling stake) and Gunwharf Quay in Portsmouth (owned by Landsec) are proof of the concept and we remain confident about their prospects.

The combining of retail, leisure and food continues, particularly in tourist destinations BNP have highlighted the pick-up in post Covid footfall in the most upmarket locations such as Regent St, Champs Elysees, Portal de Angel (Barcelona), Via del Corso (Rome) and Kaufingerstrasse (Munich) with footfall increasing on average by 1/3 and, in some cases, more than 65% (Paris and Munich)

Retail investment has been resilient, particularly in Continental Europe where investors see affordable rents and higher yields than other sectors. Whilst investment levels are unsurprisingly below the 2012 to 2022 decade average, they did increase year on year to €40 1bn (+2 6%) according to BNP In the UK, retail warehousing continued to dominate volumes (+60%) over 2021 and 2022. This figure was lower across Europe and highlights the continued lack of large shopping centre transactions in the UK.

UK logistics take-up in Q1 2023 was 8.6m sq ft, a slowing when compared to a quarterly average of 12.0m sq ft in 2022 and 13.8m sq ft in 2021 but still ahead of the quarterly average of 8.3m sq ft in the pre-Covid decade. Vacancy remains at 3% and rents continue to rise. Against this comfortable backdrop we saw yields rise by 175bps for prime distribution units between June 2022 and March 2023. Such was the impact of the cost of money, whilst *market fundamentals are deemed less relevant. Even an* asset with strong rental growth prospects cannot have a capitalisation rate 200bps below the risk-free rate. However, that pricing adjustment has largely been completed in our view. We are beginning to see stability in asset prices.

In Continental Europe the picture was very similar. Savills report 32m sq metres taken up in 2022 across the 13 largest markets, just 6% below the record year of 2021 and ahead of the 5-year average in virtually all markets. Higher construction and finance costs led to reduced speculative construction maintaining the intense supply-demand imbalance in so many markets. Over €50bn was invested in 2022, again below the record of 2021 but well ahead of the 5-year average. Yield expansion (c 100bps) was much less than in the UK but again we expect upward pressure to ease as fundamentals drive capital back into the sector.

We have long been cheerleaders for multi-let industrials (MLI), generally terraces of smaller units, management intensive, but often located in dense urban locations Very little new stock has been built over the last few decades with alternative (multi-storey) uses being far more valuable. Rents remain low in many parts of the country making new development unviable. The tenant rosters have evolved hugely in the last 20 years, undergoing 'gentrification' from being the domain of light industrial 'metal bashers' to a much broader swathe of uses, many born out of internet connectivity and the ability to access customers directly Our largest exposure was through Industrials REIT, where we owned 11% of the company. Just after the year end (3 April) Blackstone announced an agreed cash bid at a 40% premium to the undisturbed share price. The private equity behemoth already has substantial exposure to this sub-sector but it is a timely reminder that if quality assets are left undervalued then private capital will acquire them. Our other MLI exposure is through Sirius (65% Germany, 35% UK) and diversified names such as Picton and London Metric (which acquired Mucklow in 2021 where we owned 5%) The healthy supply-demand imbalance makes it a sub-sector we are keen to maintain exposure to

The shortage of private sector rental accommodation remains acute, yet the listed companies focused on this sector were amongst the poorest performers in the financial year. This group of companies (mostly in Germany and Sweden) highlighted how management teams were lured into increased leverage given the stability of the underlying income streams and occupancy levels. However, very low yielding assets struggle to provide positive cashflows when interest rates rise.

At the asset level, rental growth has remained well below current inflation rates given the backward-looking nature of regulated rents. We fully expect to see these rents rise at historically fast rates as they factor in some of the dramatic inflation datapoints. The serious shortage of housing underpins long-term values. The fly in the ointment is the cost of improving the energy efficiency of this housing stock through both insulation and the type of heating. In open market regimes such as the UK and Finland, the cost of these improvements will be passed through to rent prices. In regulated markets where only a proportion of the capital expenditure can currently be rentalised, this remains an impediment to rental growth.

Within open market regimes such as the UK we have seen strong rental growth through the combination of a shortage of rental stock (amateur landlords leaving the market due to higher regulation and lower tax efficiency), high levels of employment/wage inflation and market timing (where buyers decide to continue to temporarily rent awaiting price corrections).

Purpose built student accommodation continues to fare well, with rising numbers of students across the UK and Europe. The traditional accommodation alternative of private rented houses (HMOs - Houses in Multiple Occupation) are reducing as regulation pushes up licensing costs and (correctly) impedes overcrowding and sub-standard accommodation. Unite, our largest student accommodation stock was one of the few companies to see positive capital value appreciation in 2022 with 4% annualised growth. It has recently increased its rental growth outlook for academic year 2023/24 from 5% to 6-7%. Self-storage continues to confound the sceptics. Rate growth and occupancy have begun to normalise post the 'Covid boom' but remain encouragingly positive. Safestore, our largest holding in the sector, enjoyed like-for-like rental growth of 10.7% in the year to October 2022.

Hotels particularly leisure and tourist focused have also enjoyed strong growth as consumers continue to make up for lost opportunities to travel in 2020 and 2021. Recent STR data highlights London hotels across the quality spectrum showing RevPAR growth of +22% year on year. UK hotels ex London was also strong at +11% year on year and 25% versus 2019.

Healthcare was the poorest performer of the alternatives group. Profitability of private care providers is being constantly squeezed through wage and cost inflation. Continental European healthcare operators have been rocked by the scandal at Orpea. The level of state support, both direct and indirect, are the crucial figures required by investors. Even then, the rate of rental growth can be quite pedestrian as seen at Primary Health Properties and Assura.

Both debt and equity markets were very subdued during the year. The total capital raised in 2022 was €14bn compared to €32bn in 2021 and €21bn in 2020. Over €9bn of the total raised in 2022 was debt in the first quarter. To illustrate the change in pricing over the last year, we need only review the most prolific issuer, Vonovia, Europe's largest property company. In March 2022, it issued 4, 6 and 8 year maturities totalling €2.5bn priced at 1.375%, 1.875% and 2.375% respectively. By November, new 2027 and 2030 maturities were costing 4.75% and 5.0%.

Short-dated leverage risked the vicious cycle of increased interest costs resulting in lower earnings, so risking credit downgrades leading to even higher cost of debt. Leverage needed to be reduced to defend earnings; if asset sales weren't possible then equity (even when trading at deep discounts to asset values) needed to be raised through rights issues.

At the half year, I detailed the capital raising by TAG Immobilien, who had over stretched themselves with the acquisition of a Polish housebuilder. They raised €200m at a 27% discount to the theoretical ex-rights price to help pay off the bridging loan from the acquisition. In November, VGP, a Belgium logistics developer raised €302m. This was more front-footed with the raise diluting NTA by 10% in a one for four share issuance. The business is overly dependent on selling assets into Allianz private funds and this capital makes them less dependent on one customer. The CEO and CFO own 49% of the equity and 'stood their corner' which reassured investors. In Sweden, Catena, another logistics developer raised SEK 1.4bn (£135m) as its share price hovered close to NTA and, whilst small, it was unusual as it was an accelerated bookbuild and not a rights issue. Balder raised SEK 1.8bn which it used to repay a hybrid bond and strengthen its overall balance sheet.

The only merger and acquisition activity in the 12 months to 31 March (the privatisation of Industrials REIT was announced on 3 April) were two mergers, both widely expected but the timing less sure. The joining of Shaftesbury and Capco finally happened after a tortuously long period of negotiation, capped off by a CMA review on whether the combined entity could be a price setter. The most disappointing aspect for shareholders (we do not own either company) was that the deal results in the repayment of much of Shaftesbury's cheap debt due to a change of control provision. When coupled with further increases in debt costs next year and some extraordinarily high advisor fees (given it was an agreed transaction) there will be precious little earnings benefit from the anticipated synergies. The other merger was between LXI and Secure Income REIT on a NAV for NAV basis. It was a much more straightforward affair. We were a large shareholder in SIR and benefited immediately as the 12% discount closed to NAV. The managers of SIR were also large shareholders in the company and their excellent timing in previous property cycles was once again on display. They even sold the management company which had a contract to run SIR for the next three years.

Portfolio turnover (purchases and sales divided by two) totalled £477m in the year, considerably less than the £549m in the previous year. With average net assets over the year of £1.18bn, turnover was 40% of net assets, which was higher than the previous year's figure of 36% and reflects the volatility in the year.

In the half year report, I recorded that each rally then trended down to a new low and therefore virtually all buys looked poor and all sells looked clever. The second half of the year saw the largest and longest recovery from October to the end of January, followed by the most dramatic correction back to the October lows, this new low point virtually coinciding with the year end. Throughout the year, the renewed bouts of negative sentiment towards the sector were based on either a change in the outlook for interest rates (and the concern that central banks' behaviour would become more hawkish) or renewed speculation of a failure in the credit transmission mechanism. Essentially, investor sentiment was driven by the expectation of the change in the price and availability of debt.

In hindsight, maintaining our long-standing discipline of buying (or adding) to companies where we felt confident in the resilience of earnings driven by market fundamentals just wasn't enough.

As would be expected, we have carefully analysed all of our companies' balance sheet capacity (in terms of the quantum of leverage, cost and duration of debt). In many cases, the market had quickly adjusted the earnings expectations but what became apparent as the year progressed was that we were being overly rational about these revised earnings forecasts. The market was not interested in supply and demand at the property/occupational market level or whether there were still profits to be achieved from the development pipeline.

The ability of the market pendulum to (over) swing between exuberance (greed) and melancholy (fear) was very much in evidence and we battled to react accordingly.

A good example of this was our collective underweight to Swedish property companies. Whilst this call was our largest contributor to positive relative performance over the year, the volatility in the group resulted in multiple phases of repositioning. Whilst the broad statement that Swedish property companies are amongst the most leveraged in our investment universe is true, some are obviously more exposed than others. It was therefore crucial to understand which company would suffer the fastest earnings degradation from rising interest rates but also to assess when the market had over reacted. Those most at risk were those exposed to bond markets rather than bank lending or had complex hybrid instruments dreamt up by bankers when money was cheap. The scale of share price volatility is best explained in a handful of figures. EPRA Sweden fell -42% in the first quarter only to recover +33% in the next six weeks followed by another 40% drop to mid-October and then the long recovery (+36%) to the end of January, followed by a renewed bout of nerves sending the sector down almost to the October lows. These figures are the collective impact of 18 companies. For the most leveraged (SBB, Castellum, Corem and Balder) the volatility was far greater. Underlying property market fundamentals do not drive this level of price action, this was caused by changes in the market outlook for the cost/availability of debt impacting on a tiny market segment (free float capitalisation of just £20bn).

Our exposure to German residential was the poorest asset allocation decision of the year. I remained convinced, for too long, that the market fundamentals of virtually full occupancy and (sub-market) regulated rents would underpin investor sentiment. The fact that even at prices a year ago all of these names were trading below the reinstatement cost of the underlying assets mattered not a jot. The market focused exclusively on the impact of the cost of debt. During the year we reduced exposure in the larger names (Vonovia, LEG) but maintained the holding in Phoenix Spree, the small Berlin focused vehicle. It is an externally managed fund which has an annually renewed contract with QSix, the manager. Its assets are all prime Berlin, where open-market rents continue to grow. The share price total return in the year was -50%. I remain convinced that once prices stabilise the smaller companies will benefit disproportionately from the impact of portfolio sales. With a market cap of just £190m and the share price at half the asset value, it is an excellent example of a portfolio of assets which are no longer benefiting from being held in a listed company.

With the price of money rising so rapidly in the year, it was the lowest yielding assets which saw the most aggressive repricing and so it was with German (and Swedish) residential. The compression in yields in the previous five years was a rational response to the combination of strong market conditions, (high occupancy and rental growth) combined with very low cost of borrowing. This strong yield compression (and capital value growth) was even greater in the industrial/logistics sector. The structural tailwinds have been discussed, ad nauseum, in previous reports. For many markets these persist but capitalisation rates had simply been driven too low with insatiable investor appetite for assets with income growth. The reversal (yield expansion) described earlier was dramatic and the sector was hit very hard. Again, our smaller companies suffered disproportionately as they fell alongside larger names on the way down but often failed to catch the bounce in any recovery We are confident that these conservatively managed businesses with the right amount of leverage and quality portfolios will perform well. However, if the stock market continues to undervalue them, then no one should be surprised when more privatisations occur. In the industrial group in the UK, I would include Industrials REIT, Picton Property and CT Property Trust Whilst in Europe the list would include Argan, Sirius and Catena.

With the lowest yielding (highest growth) names suffering from capitalisation rates rising above the new cost of debt, it was the highest yielding sectors which suffered the least from this devaluation. Retail property has clearly been out of favour for many years as the weakening in tenant demand for physical retail space continued. In Continental Europe, we focused on Eurocommercial and Klepierre given their high earnings yield but crucially their secure balance sheets. We avoided Unibail-Rodamco and Wereldhave. Here you have two companies at either ends of the asset quality spectrum but both suffered from weak balance sheets and the need to de-leverage. Unibail announced 2 years ago its intention to sell its US portfolio whilst Wereldhave has continued to sell assets whenever it can European retail as a subset outperformed the full benchmark and our stock selection also added to performance with Unibail -27.5% and Klepierre -2.5% over the year.

UK retail is now a small part of the listed universe. For most investors the only way to gain exposure is through the diversified portfolios of Landsec and British Land. The bulk of our exposure is through Ediston Property which owns only retail warehouses. However, its market cap at £140m is too small for the listed market and we applaud the announcement from the board that they are carrying out a strategic review for the future of the company. We remain hopeful that a merger with another listed company is a viable option which will ensure the assets remain in the listed space. The company was a relative outperformer in the year (-18%) as were virtually all the high yielding retail names. Hammerson remains a play on corporate reconstruction rather than a bellwether for retail property. We believe they are on the right path and we opened a holding in the year. The crown jewels are the minority ownerships in the premium outlet malls controlled by Value Retail Investors will need to remain patient as the breakup will take time, but value is reappearing.

Investors' attitudes towards office property has been highlighted earlier. We fully subscribe to the bifurcation of returns between the best and the rest. Smaller European cities have also performed better with lower WFH and higher occupancy levels. We have sought greater exposure to those cities through Arima (Madrid), Wihlborgs (Malmo, Lund) and Fabege (Stockholm). Core CBD exposure in the largest cities has been through Gecina (Paris), Great Portland and Landsec (London). We have also added to the short lease, flexible offering business model through Workspace (London) and Sirius (primarily German flexspace). Both of these names had a poor year with total returns of -35% and -32% respectively but we found recently published operational data reassuring. Landsec (-16%) was a top performer as it continued to reduce leverage through sales of newly completed prime offices in Central London. We are strong advocates of capital recycling and expect to see more sales from non-core assets such as hotels and leisure.

In the alternatives space, our overweight to self-storage was entirely through Safestore (-27%) rather than Big Yellow (-21%). Safestore has outperformed on a three-year and five-year view but clearly not in this last period In fact, we find it hard to choose between these two very well managed companies. Both own irreplaceable estates with core holdings in densely populated areas Demand for space has been remarkably stable given the economic backdrop. Unite (-16%), the student accommodation provider, was another relative winner in the year. The combination of increased earnings guidance and solid market evidence on modest yield movement continues to support the asset class. Both these asset types have intensive operational requirements and we are confident that the market undervalues the platform through the traditional asset value model. This was certainly the case with Industrials REIT where Blackstone paid a premium for the operating business alongside the assets

As noted in the Chairman's Statement, the current year's *income benefited from a number of non-recurring* items. Eurocommercial and Swiss Prime both changed their pattern of distributions during the year effectively resulting in an additional half year payment from each of these companies. The Argan annual dividend which generally goes ex-dividend on or around the last business day in March therefore moves between March and April. In the year to 31 March 2023, we received dividends in April 2022 and March 2023, resulting in two full year payments. If the dividend due around 31 March *2024 falls back into next April, there will be no income* recorded from this company in the year to March 2024. We have no control over these timings and there are several companies where dividends go ex-div around the year end. Each of three holdings noted above are approximately 2.5% of the portfolio so this has had a significant impact. Without these (and the small enhancement due to foreign exchange movements), we estimate the earnings would have been around 1.13p lower than reported. The dividend for the year to March 2023 *is therefore well covered.*

The dividend for the previous two years was partly paid out of revenue reserves as the effects of COVID forced revenue down. In 2022/23, the earnings, adjusted for the one-offs set out above, are just over 10% higher than the last reported period before COVID-19 (being the year to 31 March 2019). The full year dividend to 31 March 2023 is almost 15% ahead of the pre-COVID dividend as the Board recognises the importance of a growing dividend to our shareholders.

Looking ahead to the 2023-24 financial year, at this stage, we expect to report a fall in earnings. This is partly explained by the one-off adjustments highlighted above. However, the additional impact is from the number of the German residential and Swedish companies that have announced dividend suspensions and/or cuts as they work to reduce their gearing levels in the face of rising debt costs. The residential names in particular are making progress with their disposal programmes so we expect to see their dividends resuming, although possibly at a lower level, in the not too distant future.

The impact of higher interest rates will feed through to earnings as fixed or capped debt structures come up for refinancing. The impact of this of course depends on the *duration of such debt packages and this varies hugely* across our companies. It is encouraging to note that for most of them, the majority of their debt is fixed (or capped) until 2026 and beyond.

On a more encouraging note, top line revenue is benefiting from inflation. All of our European companies *and a significant number of our UK names benefit from* rents linked to some form of indexation. It varies widely across countries and sectors but is clearly an important part of our revenue growth trajectory.

Although the revenue for the forthcoming year is likely to be under some pressure given all these competing factors, we are optimistic that growth will return over the medium term. Market fundamentals continue to drive organic rental growth in so many of our sectors. In *the meantime, the Company still has plentiful revenue* reserves to maintain dividend levels over short term income falls, as was seen through the COVID-19 pandemic.

Gearing began the year at 10.2%, increased to 12.0% by the half year and finished the year at 12.2%. This does not represent the changes in gearing seen throughout the period as gearing has been actively changed *in response to the very variable market conditions* throughout the year and has ranged between 10% and 16%.

The cost of our debt has increased through the year as our revolving credit facilities and CFD financing are linked to SONIA (or other currency equivalents). However, an important part of our debt book are the EUR 50m and GBP 15m loan notes both at fixed rates of interest. The combination of the fixed and floating rate debt gives us a high degree of flexibility with some price stability at lower levels of gearing. Generally, where higher levels of gearing are appropriate (so drawing on the floating rate financing) the market conditions are such that returns are not too sensitive to the pricing.

In the year to the end of March the physical property portfolio produced a total return of -13.7%, made up of a capital return of -17.5% and an income return of 3.8%. The MSCI Monthly UK Property Index returned -14.7% over the same period, made up of an income return of 5.0% and a capital fall of 18.8%.

During the year we sold the residential element of the Colonnades development for £5m on a new 999 year lease at a peppercorn rent. The value of this element is determined by the outstanding lease extensions remaining on the individual flats. During the Company's ownership we completed lease extensions over 75% of the flats and received more than £12.5m in premiums. In addition, the sale facilitated the simplification of the leasehold structure of the asset. The Company has retained the freehold of the island site as well as all the commercial elements. The locality continues to improve with the redevelopment of the old Whiteleys shopping centre nearing completion This is an important next phase in the further gentrification of Bayswater.

It was a busy 12 months for asset management at Ferrier Street, Wandsworth The strategy remains to let the estate on a short-term basis, retaining the flexibility for either a refurbishment of the existing or a more comprehensive redevelopment under the planning permission secured in June 2022 During the year the Company concluded 10 new leases (five renewals and five new lettings) covering over 60% of the estate. This secured over £500,000 of rent with the average rent on new lettings exceeding £30 per sq. ft. The attractiveness of the estate continues to benefit from the further reduction in supply of London industrial space, whilst the depth of demand from occupiers has increased. The diversity of our occupiers reflect this broad based demand and range from photographic studios to food production and even a plant nursery.

Inflationary pressures persist Central banks appear resolutely determined to remain hawkish with another round of base rate increases in May. Whilst a relatively blunt instrument, there are signs that the medicine of increased interest rates is having the required effect with reduced retail sales growth. Energy has been a major driver of cost inflation and the spot price of gas has fallen back to pre-invasion prices. This will soon begin to feed into lower headline inflation figures and also reduce the likelihood of a recession. We expect wage inflation, driven by high employment levels, to persist, resulting in inflation remaining ahead of central banks' target rates.

Against this backdrop real estate fundamentals, in our preferred sectors, remain solid with little signs of over-supply and stable demand. Economic growth is likely to be at best anaemic, for a while, and speculative development will remain subdued Income, often index-linked, will remain the key valuation underpin. We will maintain our focus on the most judiciously leveraged, avoiding those with large near-term refinancing requirements. With such a large number of well financed listed companies, we also expect opportunities to gather assets from those struggling to refinance in a world where debt availability is getting more restricted.

The sector has a long tail of micro-cap companies and we continue to encourage boards to explore the opportunities for consolidation where it improves share liquidity and reduces costs Otherwise, we will continue to see the steady stream of privatisations as these smaller companies are attractive bite sized morsels for large private real estate owners. Whilst the Company has often benefited from these premium bids (and continues to hold a wide range of small caps) we also believe that growing the number of larger companies is in the best interests of the sector and investors.

As we go to print at the beginning of June, we are pleased to report an all-paper bid by London Metric (market cap. £1,700m) for CT Property Trust (£180m) The Company owns 10% of CT Property Trust and the price rose 25% on the announcement.

Marcus Phayre-Mudge
Fund Manager

Responsible investment

Introduction

The Board recognises the importance of considering Environmental, Social and Governance ('ESG') factors when making investments and in acting as a responsible steward of capital. 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.

1. The Company's own approach to Corporate Governance and Reporting

Maintaining a high level of Governance and disclosure in the Company's own operations and reporting is extremely important. Our Fund Managers are encouraging and supporting this from the companies in which we invest and we cannot fall short of these standards ourselves.

The Company's compliance with the AIC Code of Corporate Governance is detailed in the Corporate Governance Report on page 50.

Under Section 414 of the Companies Act 2006 there is a requirement to detail information about employee and human rights, including information about any policies in relation to these matters and the effectiveness of these policies. As the Company 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 120, comply with the provisions of the UK Modern Slavery Act 2015. These are principally professional advisers and service providers in the financial services industry, consequently the Board considers the Company to be low risk in relation to this matter.

The Board currently comprises three male Directors and three female Directors. The Board also meets the FCA's rules for diversity and inclusion, following the recommendations of the Parker Review.

The activities of the Nomination Committee in relation to Board changes are referred to in the Nomination Committee Report on pages 56 and 57.

The Board's diversity policy is outlined in more detail in the Corporate Governance Report.

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports Regulations 2013). Investment trust companies are currently exempt from reporting against the Task Force on Climate-Related Financial Disclosures ('TCFD'), however the Financial Conduct Authority ('FCA') has now published regulations that require the Company's Manager, as its Alternative Investment Fund Manager ('AIFM'), to report against TCFD at both the AIFM and product level by June 2024. This means that there will be a TCFD disclosure specific to the Company's portfolio available in the future which will be published on the Manager's website. The Manager has produced a report on its overall climate change approach, which is structured using the TCFD categories and is available on its website.

2. Our Portfolio Manager's Approach to ESG

Our Portfolio Manager's primary duty is to pursue the objective set out at the beginning of this annual report which is to invest in property and property related companies with the objective of exceeding the returns of our benchmark.

The Company has not set out its stall to be an ESG focused fund, however, 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 factors which feed into the investment decisions. This reflects the belief that strong governance combined with a responsible approach to social obligations and the commitment to protect our environment will enhance shareholder returns in the long term.

In the part of the portfolio that is invested directly into commercial real estate we endeavour to practice what we preach.

LISTED EQUITY PORTFOLIO

As a dedicated investor in the property sector our Manager is not having to consider some of the more controversial areas of what is ethical investment. However we are investing in buildings where construction and ongoing management have a direct impact on the environment. All property is in some way delivering a social purpose. Modern building practices are very much more focused on reducing energy consumption and efficiency than in the past. Properties have varying lifespans but are built for the long term. Older buildings which are less energy efficient than their modern counterparts are a fact of life; their replacement has wider environmental and social repercussions as well as huge cost implications. They are going to form part of the investible universe for the foreseeable future and their efficient improvement and management is just as important as ensuring new developments follow the highest possible environmental standards. Although older buildings will most likely show 'inferior' scores to their more modern counterparts on a number of environmental measures, we are looking for demonstration of best efforts to improve these measures, recognising that there will be limitations on what can be achieved but wanting to see a positive direction of travel.

There are two fundamental considerations to investment in property companies: the assets themselves and their management. The Manager seeks to invest in long-term 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 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. This is augmented by the strength of Columbia Threadneedle's Responsible Investment team and its broader engagement. Over the course of the year, our management team participated in 227 individual or group meetings with companies and their management teams.

The Manager is committed to responsible investment and is actively developing new procedures and ways in which information is gathered and used to support their engagement with companies on ESG matters.

Corporate Governance disclosure requirements have increased transparency enormously in recent years and enabled closer scrutiny and engagement on Governance issues for some years. Environmental measures are now rapidly coming to the fore and, with wider disclosure requirements being placed upon our investee companies, the Manager is increasingly able to scrutinise other measures such as climate change and sustainability policies and outcomes.

However, the Board and Manager are still of the view that the ESG rating industry and its approach and processes has significant limitations, making it difficult to draw true comparisons and make fully informed decisions. The assessments from the various data providers reach different conclusions as they do not all score in a consistent way. Some of the assessments are subjective and different data providers have different definitions and criteria.

This may eventually converge into some form of consensus or standardisation but it still has a way to go. Conceptually, making ESG comparisons between companies and portfolios appears simple but it is actually rather complex and it is important to ensure that valid comparisons are being made. As the shortcomings are being uncovered and the different approaches highlighted we hope that this will put pressure on the data providers to improve the quality and clarify the basis of their analysis. The data services are subscribed to so have to be fit for purpose.

Having noted the shortfalls above with the data collected from the different providers, our Manager is enhancing the way in which ESG date is collected and compared. Their own company database covers financial and operational information together with extensive modelling. ESG data is being collated alongside this, allowing comparisons to be made more easily between the various data sources for a single company and interrogated rather than relying on high level "scores". Interactions with companies on ESG matters are noted and progress, or otherwise, can be tracked more efficiently.

The Manager is therefore dedicating direct resource to the analysis of the information available and also has the benefit of input from its award-winning Responsible Investment Team. This is work in progress and a significant investment in resource but it will improve the Manager's ability to engage with our investee companies on environmental matters and play out our responsible investment aims.

It is crucial to disaggregate between quality companies which also have strong ESG credentials and companies which may appear to have strong ESG credentials (on the surface at least) but will make poor investments. One example of this approach is Home REIT. On the face of it Home REIT's ESG credentials appeared strong given the company's business model is focused on the provision of accommodation to help tackle homelessness in the UK. In addition, its leases are 100% "green", meaning Home and its tenants agree to identify and implement appropriate strategies for the improvement of the properties' environmental performance. However, we elected not to participate in the company's IPO, and the fund has never owned the shares subsequently, as we had reservations about the overall economics of the business. We were concerned about the covenant quality of the tenants (often newly formed charities) and believed that the long lease structures put in place by Home REIT risked overstating a realistic value of the underlying assets. This approach proved correct – short seller Viceroy published a report on Home REIT in November 2022 which highlighted numerous concerns with the business and the company has been investigated by regulatory bodies on a number of items in recent months. The shares are currently suspended pending a decision over the future of the business, having dropped 61% from the original IPO price.

An example of a large holding where we believe the ESG credentials complement the investment case is Landsec. As well as adhering to the governance standards we would expect from a leading listed company, the company also has a clearly outlined sustainability framework. This includes long-term targets, progress against which is regularly monitored and presented back to investors, such as operational carbon emissions reduction of 70% by 2030 (with a 2013/14 baseline) and average embodied carbon reduction of 50% compared with a typical building by 2030. The company's newest developments, which in our view contribute positively to the investment case given their ability to contribute to both earnings and net tangible asset value over time, are also all net zero buildings, which we believe will contribute to an improved rental growth tone when the assets are let. As such there is a symbiotic relationship between the company's strong ESG credentials and its underlying economic performance.

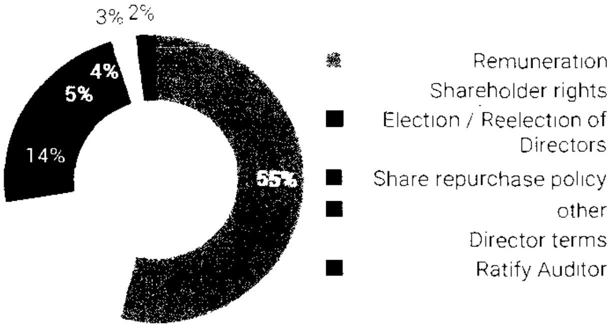
Governance

Governance covers matters such as board structure, effectiveness, diversity and independence, executive pay and criteria, shareholder rights and financial and governance reporting and standards.

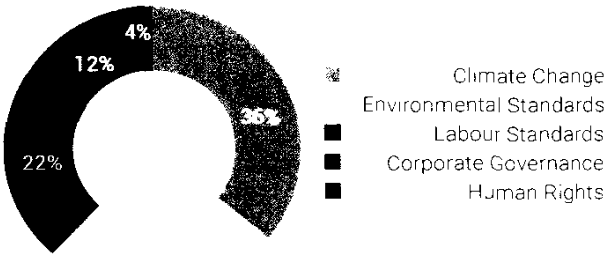
The Manager has a corporate governance voting policy which, in its opinion, accords with current best practice whilst maintaining a primary focus on financial returns. The exercise of voting rights attached to the portfolio has been delegated to the Manager. Where practicable all shareholdings were voted at all company meetings in the financial year in accordance with Columbia Threadneedle'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.

Columbia Threadneedle's Stewardship Report 2022 provides more information on its firm-level stewardship policies, as well as how these comply with the expectations of the UK Stewardship Code 2020 to which the Manager is a signatory. Its statement of compliance can be found on the website at https://www.columbiathreadneedle.com/en/

During the financial year the Manager voted against at least one management proposal at 52% of shareholder meetings. This represents 13% of total items voted. Of the items voted against, the proposals can be broadly categorised as follows:



For the year, the Manager engaged with 24 companies directly on a range of ESG related matters. These engagements were conducted at both the board and senior executive level as well as directly with investor relations. Topics of engagement were split as follows:



The Manager tracks the milestones of the engagement strategy and has seen progress this year on a number of matters. Examples include the publication of sustainability reports and board accountability on human rights risk management.

Social

All buildings have a social function to some extent, providing places to live, work, eat, shop, store etc. Management of buildings needs to ensure any social obligations to the occupants are met in terms of Health & Safety, employee management and wellbeing and commitment to communities. Most of these obligations are the responsibility of the tenant but our investee companies are obliged to report on matters affecting their own employees and such statements are considered.

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 Columbia Threadneedle Responsible Investment team, MSCI and Global ESG Benchmark for Real Assets (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 have the resources to contribute data to the organisations providing analysis to the investor community. As a consequence, we see strong correlations between company size, maturity and overall scores. Since our investment strategy leads us to own focused mid-sized companies in preference to some of the larger diversified ones, the portfolios overall ESG score might tend to be unflattering compared to the wider benchmark. The rigour of our process ensures that these companies receive scrutiny by the team.

GRESB is a mission-driven and investor-led organisation providing standardised and validated ESG data to the capital markets. Established in 2009, GRESB now covers over USD 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

For 2023 there is increased GRESB Real Estate Assessment coverage of the Company's equity portfolio (66% from 50%).

German residential companies representing 11.6% of the index do not submit data to GRESB due to the requirement to submit data at the asset or building level and concerns around fair comparisons of data aggregation. We continue to engage with GRESB, encouraging them to modify the requirements to encourage wider participation.

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 reduced from 99% to 96% and the Company's portfolio increased from 89% to 96%. 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.

The table below compares coverage by both data providers year on year.

Data coverage as % of weight of the invested equity portfolio

2023	GRESB				MSCI	
	Real Estate Assessment		Public Disclosure		Company Rating	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Rated	66%	62%	99%	96%	96%	96%
Unrated	34%	38%	1%	4%	4%	4%
Total	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*

Source: GRESB, MSCI, Columbia Threadneedle Investments. Data as at 31.03.2023. Fund exposure calculated as the % weight of the invested equity portfolio.

2022	GRESB				MSCI	
	Real Estate Assessment		Public Disclosure		Company Rating	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Rated	50%	54%	97%	97%	89%	99%
Unrated	50%	46%	3%	3%	11%	1%
Total	100%	100%	100%	100%	100%	100%

Source: GRESB, MSCI, Columbia Threadneedle Investments. Data as at 31.03.2022. Fund exposure calculated as the % weight of the invested equity portfolio.

Responsible investment
continued

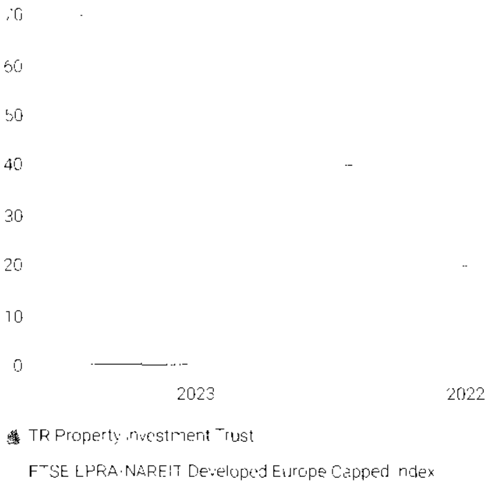
We continue to collect data on emissions and compare to prior years with the emphasis being more on direction of travel than the absolute measures themselves. This is also an area where we expect to see further change which is also explained

For the year ended 31 March 2022, we disclosed, as best we were able to, the portfolio-weighted carbon intensity of the total portfolio for the first time

Carbon Risk measures exposure to carbon intensive companies MSCI's definition and calculation, with data based on MSCI CarbonMetrics, is the portfolio-weighted average of issuer carbon intensity At the issuer level, carbon intensity is the ratio of annual scope 1 and 2 carbon emissions to annual revenue Carbon Risk is categorized as Very Low (0 to <15), *Low (15 to<70), Moderate (70 to <250), High (250 to* <525), and Very High (>=525). The Carbon Risk of the equity portfolio measured at the financial year end was 43 6 T CO2E/$M Sales (2022: 63 3 T CO2E/$M Sales), falling within the low risk MSCI category The Company's portfolio-weighted carbon intensity was lower than that of the benchmark of 49 8 T CO2E/$M Sales

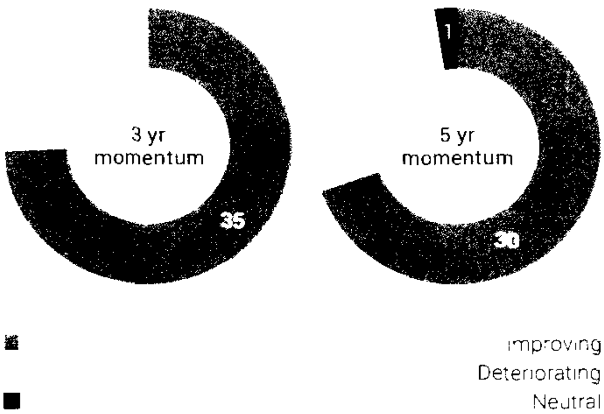
Comparing against the results from last year shows a headline c 31% decrease in carbon intensity for both our own equity portfolio and -18% for the index There are a number of reasons for this. Whilst the ratio is a snapshot taken at each financial year end, reflecting the change in equity holdings over the period, there is also wider coverage of data at the 2023 financial year end (98% for the current year fund holdings versus 89% for the prior year) The latest emissions data for each company is captured by MSCI on publication of their data each company is not releasing their data at the same point so timing differences will arise The ratio will also be impacted by the changing value of $ Sales including the impact of FX rates However, within these limitations we can be reasonably confident that the Carbon Risk of the portfolio is improving and currently better than the benchmark

T CO2E/$M Sales



In order to attempt to give a picture of the direction of travel, we have looked at the individual companies the Company holds to assess which have improving or deteriorating carbon intensity metrics over three and five year periods

This analysis depends upon the integrity of the underlying data and breadth of data coverage, so we would caution that this is a work in progress, but it indicates a positive trend as awareness improves and companies are obliged to disclose data



By number of companies Improving where end of period value is less than start of period Deteriorating where end of period value is greater 3yrs Data for 47 of 61 stocks 5yrs Data for 43 of 61 stocks

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.

DIRECT PROPERTY PORTFOLIO

Sustainability is core to the strategy of the direct property portfolio which we invest in, hold and manage on behalf of shareholders and this has been a key focus for the management team in their asset management approach.

Central to the year's approach was energy consumption. As the primary source of carbon emissions within the portfolio, a priority over the last twelve months has been to gain a clear understanding of the consumption intensity across the portfolio, establishing a benchmark from which we can map the strategy to manage the environmental impact of these assets through energy saving interventions. This data collection allows us to fix the base year from which to set out future targets as well as a clear path toward a net zero carbon portfolio. Alongside this we have also worked hard to future-proof the portfolio against the forthcoming Minimum Energy Efficiency Standards.

We also recognise that the built environment plays a fundamental role in the life of local communities. As a landlord the Company continues to enhance its social engagement with the local community stakeholders at our assets. We also strive to work with local supply chain partners to deliver a best-in-class service for our occupiers, whilst also supporting the local economies surrounding our assets. This helps us demonstrate the social value we bring to communities, occupiers and shareholders.

The final strand to our approach is governance. This forms the foundation for how we manage our properties. The manager operates a Sustainability and Social Responsibility Committee which focuses on the implementation and delivery of all ESG initiatives and provides full transparency on our proactive hands-on approach. From this we can execute our environmental and social responsibilities. We are only able to achieve our goals through a joined up approach with our property manager, energy consultant and other key partners with whom we work.

In last year's report we identified the three key pillars to establish the foundation for the delivery of our ESG strategy. These three pillars, namely Asset Energy Performance (Environment), Occupier Engagement (Social) and Operational Performance (Governance) continue to navigate the Management Team towards the successful realisation of our ESG strategy.

Whilst the significant progress made over the last 12 months reinforces our commitment to achieve net zero carbon by 2050, our ultimate goal is to ambitiously improve on this 2050 target. To that end, we have instructed net zero audits across the portfolio to facilitate us in identifying exactly how we can bring this target forward from 2050. This strategic framework will be driven by science-based targets in a cost-efficient manner, and we will be articulating our improved pathway over the forthcoming year.

Environmental

Accurate data collection and transparent reporting are integral to our goal of reducing carbon emissions across our portfolio. We have put in place a number of initiatives to this end which are outlined below.

Reliable and accurate data collection is the cornerstone to understanding the carbon intensity of our assets. This gives us the ability to set ambitious targets to reduce the carbon intensity and Scope 1 and 2 emissions for both ourselves and our occupiers. To this end we have been working in collaboration with our stakeholders to implement a programme to install automatic meter readers ('AMRs') across the portfolio to enable the accurate measurement and monitoring of each asset's energy consumption. This consumption data is now being collated and analysed by the property industry-recognised SIERA+ platform. This means we can measure energy consumption and access live data which we can analyse and then use to shape our building operation decisions. The AMRs have also provided the dataset which will form part of the Company's inaugural GRESB submission currently underway, setting the benchmark for future ESG performance. With ongoing access to this fully transparent and live dataset we can take control of our carbon emissions with integrity and pinpoint exactly where further improvements can be achieved

As outlined in the last report a key objective for the Fund was to commence its first GRESB submission. Now that we have an accurate dataset of carbon consumption, we have been able to begin the first GRESB submission for 2022/23. The results of this submission will be available in October 2023 and from this we will be able to identify further sustainability opportunities and enhance our strategy towards net zero. *This is a significant milestone* for the Company and GRESB will enable us to measure our ESG performance within a uniform and globally established platform.

Another key element to managing the carbon intensity of the portfolio is through the implementation of Green Leases Clauses across the portfolio. It has enabled us to embed our net zero commitments into the formal structure within which we lease our assets, setting out a mutual agreement between landlord and occupier to strive to improve energy efficiencies and reduce carbon emissions generated by the assets. They also provide a formal framework for the Company to work *with occupiers on our data collection workstream in* instances where we are not in control of the utility supply. This in turn strengthens our ability to enforce carbon intensity targets and gain further control of Scope 1 and 2 emissions.

Further control of carbon emissions has been achieved through the successful transition of all energy across landlord areas for the whole portfolio to renewable sources. This is a portfolio-wide initiative and 100% of landlord electricity and gas supplies are now contracted on certified green tariffs, backed by the Ofgem regulated Renewable Energy Guarantees of Origin (REGO) scheme.

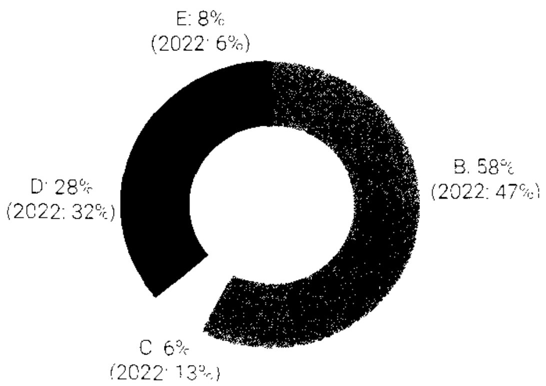
From 1 April 2023 all commercial rental properties are required to have an EPC of E or better. The direct property portfolio currently meets these standards and overall the portfolio's EPC profile is well placed for the short-term requirements and improved ratings have been achieved over the last 12 months.

Two significant achievements of note are the improvement of the two EPC G ratings within the portfolio to B and C ratings and increasing the percentage of assets now qualifying for EPC ratings by over 20%. This has been accomplished through detailed operational analysis of our assets and the implementation of energy saving enhancements.

It is important to note that the increase in E rating is due to changes in the assessment criteria and the majority of the E and D ratings are at Wandsworth where the strategy is to either complete a comprehensive refurbishment or a full-scale redevelopment in the mid term. Work on this project will complete prior to the 2030 MEES standard which will require a minimum EPC of B. Once this project has been delivered the percentage of the portfolio by ERV achieving 2030 compliance will increase to 88%. This is before any other enhancements are implemented.

Further to this, the Company has now raised the target of achieving a minimum EPC rating to the minimum of a B for all planned refurbishments and upgrade works to *the portfolio. This forms part of the wider ESG-focused* refurbishment checklist.

EPC (% of ERV)

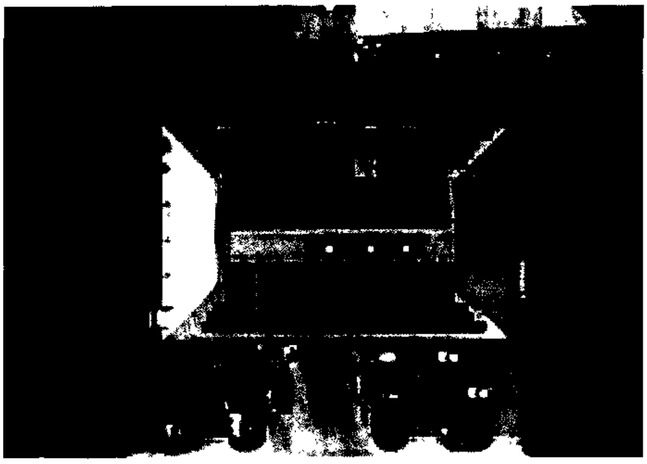


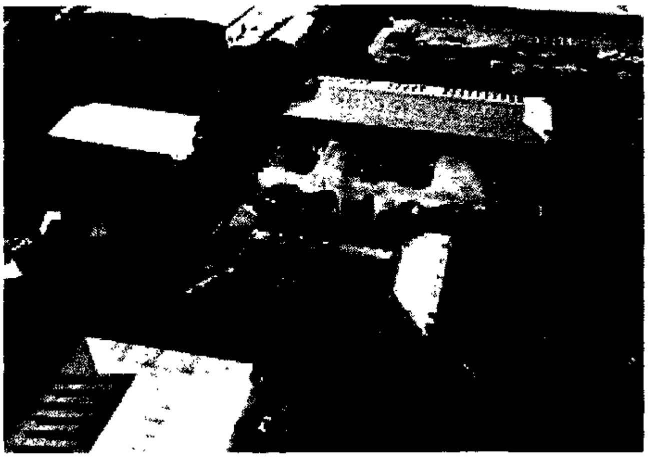
The Company has been working closely with the major tenant of our industrial estate in Gloucester to install PV cells on the roof of the building to generate cheap, low carbon (carbon neutral) energy on site. Infusion, who package specialist teas for a number of high-end 3rd party customers have been a key tenant on the estate since purchase in 2015 and sustainability is key to the company ethos. The installation of PV cells on the roof was a critical development for the company in its path towards net zero carbon. Results to date have been very positive with 80% of the onsite generation being consumed on site and the balance being exported to grid. Infusion project that 75% of their total annual electricity consumption will be generated on site.

The key facts of the installation are

- System Size – 244.8kWp
- Year 1 Generation Prediction – 231,752kWh's
- CO2 Saving per annum – 49 tonnes
- EPC improvement from C rating to B

This hugely successful project demonstrates our occupier-focused, opportunity-led approach whereby we have championed our occupier's success in achieving their sustainability goals whilst also improving the environmental profile for the portfolio. Following this success we are investigating installing PV onto the remaining units on the estate.





"Infusion GB are extremely committed to reducing our environmental footprint and the installation of Solar PV at Gloucester was a critical step towards this. The proactive engagement of TRPIT was instrumental to this and enabled us to install a self-generating power source to our buildings. This initiative has been incredibly well received by customers, suppliers and employees alike."
Bruce Stevens, Commercial Director, Infusion GB

Responsible investment
continued

Social

The management team has continued actively to engage with occupiers to support and potentially invest in their ESG objectives. Communication and collaboration plays a central role in achieving ESG goals.

A quarterly ESG newsletter is now published and circulated with occupiers to encourage engagement. Key content for the newsletter includes inviting occupiers to participate in the AMR installation programme, community engagement initiatives and raising biodiversity awareness across the portfolio which include the installation of bird boxes and bug hotels at Gloucester.

At Wandsworth we have successfully managed to integrate a critical local community partner into Ferrier Street through the letting of Unit 16 to the Wandsworth Foodbank. By letting the unit at nil rent we have enabled them to continue to support people and families facing severe hardship across Wandsworth Borough. In the last year over 11 0000 emergency food parcels were provided to local households in severe hardship. With a larger facility at Ferrier St they have been able to increase their emergency food provision by 71% throughout the borough and deliver directly to those households who cannot access their Welcome Centres.

"Wandsworth Foodbank are extremely grateful to TR Property Investment Trust for enabling our move to Ferrier St. The warehouse provides us with a space to receive, sort and store large amounts of donated food, and dispatch it to our seven Welcome Centres and directly to people's homes. We are really grateful for this partnership as we support local households through the cost-of-living crisis." Dan Frith, Wandsworth Foodbank Manager

The Colonnades is also central to the community landscape of the Bayswater area and it is vital that it is fully integrated into this environment. We have continued to work with our local community partners at the Colonnades over the last 12 months to help alleviate the challenges of rough sleepers in the Bayswater area.

Governance

In order to deliver our ESG targets it is essential that our internal management structure is fully aligned with our strategy. The Sustainability and Social Responsibility Committee meets on a bimonthly basis to ensure that we are on track with our Sustainability Roadmap objectives through the thorough review of current initiatives and implementation. The Committee works in partnership with our managing agents (Stiles Harrold Williams) to ensure we maintain a sustainable supply chain which complements our net zero carbon goals. This is demonstrated through objectives set to ensure 100% of waste material under landlord control is not sent to landfill. The accreditation of our managing agent to Safe Contractor also demonstrates our commitment to paying all directly employed staff on our assets a real Living Wage. In addition, the management team attend regular ESG training events and seminars, continuing our internal education around ESG and making sure that all avenues are being explored to achieve positive outcomes across *the portfolio.*

Net Zero Carbon Pathway

This significant progress over the last twelve months demonstrates our firm commitment to bring forward our net zero carbon 2050 strategy. Through our thorough carbon consumption data management, GRESB submission and MEES improvements we will be able to clearly set out our key objectives for the forthcoming year.

We will continue to expand our AMR programme to maximise our comprehensive dataset on Sierra+. This will provide further insight into how we can identify and implement energy saving measures, targeting Scope 1 and 2 emissions.

In October 2023 we will have the Company's inaugural GRESB rating. From this we will be able analyse the results to formulate a robust strategy to strengthen this rating and target an increase of at least one star for the next submission.

In order to further futureproof the portfolio against MEES we will continue to track our exposure to inefficient assets through regular EPC analysis. By reducing the portfolio's reliance on fossil fuels and implementing further renewable energy sources through solar PV, we will continue to drive down the higher EPC rated assets.

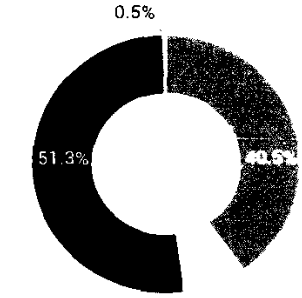
Over the next twelve months we will strengthen our management of Scope 3 emissions. We will continue to collaborate with our suppliers and occupiers to adopt more sustainable practices, reduce their reliance on fossil fuels and deliver best in class asset management to improve our pathway to net zero carbon through carefully planned and delivered interventions.

By successfully achieving these objectives over the forthcoming year we expect to be able to declare an ambitious improvement on our net zero carbon commitment, bringing it forward from 2050.

Portfolio

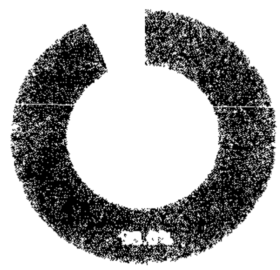
as at 31 March

	2023 £'000	2023 %	2022 £'000	2022 %
UK Securities[1]				
- quoted	**385,876**	**40.5**	518,417	33.2
UK Investment Properties	**73,957**	**7.7**	96,255	6.1
UK Total	**459,833**	**48.2**	614,672	39.3
Continental Europe Securities				
- quoted	**488,839**	**51.3**	940,744	60.2
Investments held at fair value	**948,672**	**99.5**	1,555,416	99.5
- CFD (creditor)/debtor[2]	**4,662**	**0.5**	7,657	0.5
Total Investment Positions	**953,334**	**100.0**	1,563,073	100.0



as at 31 March

	2023 £'000	2023 %	2022 £'000	2022 %
UK Securities				
- quoted	**385,876**	**35.7**	518,417	25.6
- CFD exposure[3]	**75,963**	**7.0**	57,324	2.9
UK Investment Properties	**73,957**	**7.0**	96,255	5.5
UK Total	**535,796**	**49.7**	671,996	34.0
Continental Europe Securities				
- quoted	**488,839**	**45.2**	940,744	59.5
- CFD exposure[3]	**54,943**	**5.1**	87,318	6.5
Total investment exposure[4]	**1,079,578**	**100.0**	1,700,058	100.0



as at 31 March

	2023	2022	2021	2020	2019
Total investments	**£949m**	£1,555m	£1,401m	£1,155m	£1,291m
Net assets	**£968m**	£1,563m	£1,326m	£1,136m	£1,328m
UK quoted property shares	**41%**	33%	28%	31%	33%
Overseas quoted property shares	**51%**	60%	66%	61%	59%
Direct property (externally valued)	**8%**	6%	6%	8%	8%

as at 31 March

	2023 Company %	2023 Benchmark %	2022 Company %	2022 Benchmark %
GBP	**33.6**	35.1	33.9	33.6
EUR	**42.3**	41.3	41.9	42.3
CHF	**9.9**	9.5	7.4	7.1
SEK	**13.8**	13.8	16.3	16.3
NOK	**0.4**	0.3	0.5	0.4

1 UK securities includes one unlisted holding (0.01%)
2 Net unrealised (loss)/gain on CFD contracts held as balance sheet (creditor)/debtor
3 Gross value of CFD positions
4 Total investments illustrating market exposure including the gross value of CFD positions

Investment portfolio by country

	£'000	Market value %
Belgium		
Xior Student Housing	**15,267**	1.6
Aedifica	**8,959**	0.9
Care Property Invest	**7,191**	0.7
Icade	**5,457**	0.6
Intervest Offices & Warehouses	**3,476**	0.4
Montea	**1,732**	0.2
Warehouses De Pau	**1,429**	0.1
Shugard Self Storage	**601**	0.1
	44,112	4.6
France		
Gecina	**34,321**	3.6
Klepierre	**29,984**	3.1
Argan	**22,445**	2.4
Covivio	**16,785**	1.8
Carmila	**5,741**	0.6
Altarea	**1,170**	0.1
	110,446	11.6
Germany		
Vonovia	**72,456**	7.6
LEG Immobilien	**14,868**	1.6
TAG Immobilien	**13,014**	1.3
Aroundtown	**4,310**	0.5
	104,648	11.0
Netherlands		
Eurocommercial Properties	**24,767**	2.6
NSI	**2,902**	0.3
Unibail Rodamco Westfield	**2,110**	0.2
	29,779	3.1
Norway		
Entra	**3,509**	0.4
	3,509	0.4
Spain		
Merlin Properties	**26,908**	2.8
Arima Real Estate	**10,531**	1.1
Inmobiliaria Colonial	**4,161**	0.4
	41,600	4.3
Sweden		
Wihlborgs	**21,999**	2.3
Fastighets Balder B	**19,804**	2.1
Catena	**11,166**	1.2
Sagax	**10,677**	1.1
Samhallsbyggnadsbolaget	**8,410**	0.9
Fabege	**6,382**	0.7
Pandox	**3,939**	0.4
Platzer Fastigheter	**2,706**	0.3
Atrium Ljungberg	**1,493**	0.1
Cibus Nordic Real Estate	**1,274**	0.1
Fastighets Neobo	**742**	0.1
	88,592	9.3
Switzerland		
Psp Swiss Property	**40,606**	4.2
Swiss Prime Site	**25,547**	2.7
	66,153	6.9
United Kingdom		
Segro	**79,223**	8.3
Safestore Holdings	**42,509**	4.5
Picton Property Income	**32,628**	3.4
Industrials REIT	**28,318**	3.0
LandSec	**28,199**	3.0
Sirius Real Estate	**23,664**	2.5
Phoenix Spree Deutschland	**23,137**	2.4
Great Portland	**22,973**	2.4
Ediston Property	**19,440**	2.0
Londonmetric Property	**17,115**	1.8
Unite Group	**15,219**	1.6
CT Property	**14,262**	1.5
Workspace	**13,390**	1.4
Tritax Big Box REIT	**7,033**	0.7
Supermarket Income REIT	**2,909**	0.3
Hammerson	**2,827**	0.3
Warehouse REIT	**2,700**	0.3
Atrato Cap	**2,573**	0.3
Urban Logistics REIT	**2,494**	0.3
Shaftsbury	**1,709**	0.2
Helical	**1,408**	0.1
Cap & Regional	**1,205**	0.1
Newriver REIT	**941**	0.1
	385,876	40.5
Direct Property	**73,957**	7.8
CFD Positions (included in current assets and liabilities)	**4,662**	0.5
Total Investment Positions	**953,334**	100.0

Notes

- Companies shown by country of listing
- The above positions are the physical holdings included in the investments held at fair value in the Balance Sheet. The CFD positions is the net of the profit or loss on the CFD contracts (i.e. not the investment exposure) included in the Balance Sheet current assets and liabilities.

Twelve largest equity investments

SEGRO

31 March	2023	2022
Shareholding value	£79.2m	£77.3m
% of investment portfolio†	7.3%	4.5%
% of equity owned	0.9%	0 5%
Share price	768p	1346 0p

Segro (UK)

Segro is 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 c.£18bn (split c.62.0% in the UK, c.38.0% in Continental Europe, with c 56.0% urban warehouses, c.26.0% big boxes and c.18.0% land and 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). In 2H22 UK valuations saw a sharp correction, while EU valuations have lagged the aggressive repricing of the UK. Segro has extensive development exposure that it manages largely to 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 7% at FY22). This has been a successful formula to drive both earnings and NAV growth, as well as high shareholder returns.

The five-year total shareholder return has been +45.7%

VONOVIA

31 March	2023	2022
Shareholding value	£72.5m	£149.9m
% of investment portfolio†	6.7%	8.8%
% of equity owned	0.6%	0 5%
Share price	€17.34	€42.31

Vonovia (Germany)

Vonovia is a German listed residential company and the largest real estate company in Continental Europe by market capitalisation. At the end of 2022. the company owned a portfolio of c.€95.8bn, primarily split between Germany (c.88.9% of value), Sweden (c.7.4%) and Austria (c.3.7%). The portfolio has increased dramatically and stands at 548,000 units, following a string of acquisitions, mostly of listed peers, such as Deutsche Wohnen, Hembla, Victoria Park, and BUWOG.

Vonovia is involved in the whole value chain of the residential sector, via its rental business (c.80.1% of group EBITDA), third-party development segment (c.6.7%), recurring sales segment (c 4.9%), its value-add segment (energy, multimedia, and other services segment, c.4.6%) and its nursing segment (c 3.0%). The German residential sector remains heavily regulated, yet Vonovia has continually been able to generate solid rent growth (+3.3% in 2022), whilst also complying with regulations and assuming a social role, which permits them to benefit from critical political goodwill and partnerships (as observed by the 20,000-unit portfolio sale to the State of Berlin in 2021) Even though asset values have come under pressure, as seen with all real estate asset classes, operationally the business continues to perform strongly as seen by FFO I growth of 14.6% p/s, driven by operational improvements and healthy rent growth. Moreover, market evidence points to further upward revisions to rent growth estimates as the supply demand imbalance in Germany persists.

The five-year total shareholder return has been -45 7%.

KLÉPIERRE

31 March	2023	2022
Shareholding value	£59 6m	£61.5m
% of investment portfolio†	5.5%	3.6%
% of equity owned	1.1%	1.0%
Share price	€20.85	€24 18

Klepierre (France)

Klépierre is a French REIT, which owns, operates, and manages a portfolio of European shopping centres, spanning ten countries. At the end of 2022, the company owned a portfolio of c €19.8bn, with major exposures in France (c.38.3% of value), Italy (c.23 8%), Iberia (c.13 0%), Germany/ Netherlands (c 9 7%), and the Nordics (c.8.7%) The company, like all shopping centre owners, has reaped the benefits of a return to normality as social gatherings are permitted and travel restrictions have been lifted demonstrated in its strong rebound in footfall and tenant sales. While the ongoing shift towards e-commerce as a retail channel has continued, it has at a slower rate, even retreating in certain markets, with digitally native retailers pivoting to physical by opening stores. On a relative basis, the company continues to benefit from its 100% focus on Continental Europe, without any exposure to weaker UK and US markets. Lastly, the company benefits from the experience of the Chairman, David Simon, also Chairman and CEO of Simon Property Group, which owns a c.22.3% stake in Klépierre.
In 2022, EPS growth was +18.7% YoY, benefiting from accelerating indexation and occupancy improvements, with EPRA NTA broadly flat YoY. Meanwhile, it's financial metrics remain conservative with a net debt to EBITDA of 7.9x and an EPRA LTV of c.43 7%. Its average cost of debt is low at just c 1.2%, and is expected to remain low, as evidenced by its high hedging ratio of c 90.0% and weighted average loan maturity of 6 5 years

The five-year total shareholder return has been -4.5%

† Notes:

- The percentage of investment portfolio positions set out above include exposures through CFD for both the individual positions and the portfolio
- The five-year total shareholder returns are the returns in the local currency of the holding

LandSecurities

31 March	[redacted]	2022
Shareholding value	£59.3m	£45.2m
% of investment portfolio[1]	5.5%	2.7%
% of equity owned	1.3%	0.8%
Share price	621p	786p

gecina

31 March	[redacted]	2022
Shareholding value	£52.4m	£44 0m
% of investment portfolio[1]	4.8%	2.6%
% of equity owned	0.8%	0 6%
Share price	€95.55	€114.3

31 March	[redacted]	2022
Shareholding value	£42.5m	£60.4m
% of investment portfolio[1]	3.9%	3 6%
% of equity owned	2.1%	2 1%
Share price	950p	1340p

Land Securities (UK)

Landsec is one of the UK's largest REITs, with a portfolio valued at c £11bn The company's assets are a mix of offices (c.51.0%), retail assets (c.36.0% split between shopping centres and outlets) and other uses (c.13.0% such as leisure assets, retail parks and hotels); c 61.0% of the assets are in central London. Since joining the business in 2020 new CEO Mark Allen has sought to alter the company's strategy, pledging to sell out of its non-core assets (e.g. hotels, leisure assets and retail parks), while increasing the size of the development pipeline to focus on large mixed-use schemes that others do not have the capabilities to deliver. In addition to the established office development pipeline the company now plans to spend an additional £1 5bn over five years on mixed use developments, with a 20% profit on cost target. Balance sheet management has been relatively conservative with a very long debt maturity of 10 9 years as at September 2022, net debt to EBITDA of 8.7x and LTV at September 2022 of 31% (and lower since that date following disposals of large office assets including 1 New Street Square). The company intends to recycle capital to fund the development pipeline, avoiding gearing up despite capex spend, and has a medium-term target of LTV remaining in the mid-30s.

The five-year total shareholder return has been -17.0%.

Gecina (France)

Gecina is the largest French REIT and is one of the largest real estate companies in Continental Europe by market capitalisation. At the end of 2022, its portfolio was valued at c.€20.1bn, comprising of offices (c.80.0% of value), residential (c.18.0%), and student accommodation (c.2.0%).

Gecina develops, manages, and owns a diversified portfolio, which is heavily skewed toward the Paris region (c.97.0%), and has been selling non-core assets outside of Paris in recent years. In 2022, Gecina was a primary beneficiary of the much-debated return to the office trend, helped by its centrally located and high-quality portfolio As a result, Gecina saw solid rent increases driven by index-linked rents, positive reversion and a material increase in occupancy levels YoY which all helped to drive 7.4% EPS growth YoY. Asset values during FY22 were broadly flat (-0.6% including value creation from pipeline), as widening yields were offset with improving rental markets and stronger indexation, and highlights the high quality of the portfolio

The company is one of a handful of European real estate companies with an A rating from Moody's and S&P, given its conservative financial profile, operating with an EPRA LTV of c 36 8%. The average cost of debt is low at c.1.2%, alongside a high hedging ratio of c.90.0%, and a long weighted average loan maturity at 7 5 years.

The five-year total shareholder return has been -15.4%

Safestore (UK)

Safestore is the UK's largest self-storage operator, owning c.160 stores, primarily in the UK (and weighted towards London and the South East with c.44% of total group stores). 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, rate growth and opening new developments) and through acquisitions. The self-storage market also performed extremely strongly during the COVID-19 pandemic and has repeatedly shown its resilient credentials during wider economic turbulence

The five-year total shareholder return has been +119.6%

† Notes:

- The percentage of investment portfolio positions set out above include exposures through CFD for both the individual positions and the portfolio
- The five year total shareholder returns are the returns in the local currency of the holding

Twelve largest equity investments
continued

31 March	[redacted]	2022
Shareholding value	£40.6m	£44 6m
% of investment portfolio[1]	3.7%	2.6%
% of equity owned	1.0%	1.0%
Share price	CHF104.0	CHF121 5

PSP Swiss Property (Switzerland)

PSP Swiss Property is one of Switzerland's leading real estate companies, owning a diversified portfolio of high quality real estate assets in Switzerland. At the end of 2022, its portfolio was valued at CHF9.4bn, comprising of offices (c 64.0%), retail (c.16.0%), food (c.6 0%), and other (c.14.0%). The portfolio is skewed towards Switzerland's key economic centers, including Zurich (c 57.0%, Geneva (c.14.0%), Basel (c.8.0%), and other major cities at c 21.0%.

Underlying property markets in Switzerland appear to be holding up well Transactional evidence is light, but from the few transactions taking place it seems that property values for prime assets are broadly stable Similarly, demand for office space in economic centers such as Zurich and Geneva is expected to remain strong As a result, PSP made further progress during the year on its vacancy reduction, lowering vacancy from 3.8% to 3.0% at Dec 23, and saw like-for-like rents grow by +2.2%: all this led to EPRA EPS growth of +4.1%. Moreover, EPRA NTA still grew 3% over the year on modest revaluation gains and retained earnings. LTV remained low at 32 6%; amongst the lowest levels for European property companies while its current cost of debt is fixed for 4 1 years.

The five-year total shareholder return has been +31 4%.

31 March	[redacted]	2022
Shareholding value	£37.3m	£35.9m
% of investment portfolio[1]	3.4%	2.1%
% of equity owned	9.9%	6.7%
Share price	69p	98p

Picton (UK)

Picton is a diversified UK REIT with a weighting towards UK industrial. The £850m portfolio, as at September 2022, was c.58 0% industrial, c.32.0% offices (of which c.22.0% London and the South East) and c.10.0% retail (of which c.7 0% retail park). Along with a high quality asset portfolio, where rental growth and capital value performance have repeatedly beaten relevant benchmarks, the company is run conservatively, taking very limited development risk as well as maintaining a very strong balance sheet. For example, the company's LTV as at December 2022 was c.26 0%, with long-dated debt maturity (c 10 years) and very limited near term refinancing requirements In addition, we believe the portfolio boasts a number of valuable asset management opportunities, including both vacancy reduction in heavily under-rented space and the potential for residential conversion in certain assets which could provide lucrative upside versus current valuations.

The five-year total shareholder return has been -0.4%

31 March	[redacted]	2022
Shareholding value	£34.5m	£53 3m
% of investment portfolio[1]	3.2%	3 1%
% of equity owned	9.8%	9.2%
Share price	118p	198p

Industrials REIT (UK)

Industrials REIT is a UK focused multi-let industrial business. The portfolio has been transformed over a number of years to focus solely on the UK MLI sector, and the £660m portfolio is now c 95% MLI (as at September 2022) Over a number of years the UK MLI asset class has seen strong capital value growth, driven by both yield compression and ongoing ERV growth (in the 12 months to December 2022 Industrials REIT has seen LfL ERV growth of +10.5%), with rents coming from a low base (average passing rent in the portfolio was £5 94 at December 2022). In addition to its strong underlying property fundamentals the company's Hive operating platform gives the company access to data on enquiry levels and demand, as well as allowing for innovative operational approaches such as the use of digital short-form smart leases, speeding the letting process and reducing any negative drag from portfolio vacancy. Total shareholder return since IPO in June 2018 has been +29.0%, and the company was recently bid for by Blackstone at a premium of +42.0% to the closing price before the offer was made.

The total shareholder return since listing (15/06/18) has been +29.0%

† Notes:

1. The percentage of investment portfolio positions set out above include exposures through CFD for both the individual positions and the portfolio.
2. The five-year total shareholder returns are the returns in the local currency of the holding

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MERLIN

31 March	[redacted]	2022
Shareholding value	£26.9m	£47.8m
% of investment portfolio[1]	2.5%	2.8%
% of equity owned	0.8%	1.1%
Share price	€8.06	€10.59

Merlin Properties (Spain)

Merlin Properties is a Spanish diversified REIT with a c.€11.3bn portfolio. The majority of the company's assets are offices (c.56 4%), where the company focusses its exposure on major cities, primarily Madrid and Barcelona. Additionally, the company owns shopping centres (c 18.9%), data centres/logistics (c.12.4%), with the residual c.12.4% of assets in land and other uses.

As a result of inflation and continued tenant demand in the Spanish market, the business continued to perform well, with average like-for-like rent growth of 7 3% and year end occupancy of 95.1% (a 60bps YoY improvement). Even though property values are not insulated from wider market trends (asset values declined -1 5% YoY) yields have already significantly widened by 44bps and are therefore likely to provide more protection going forward. During 2022, Merlin completed the sale of its net lease portfolio, comprised of 659 bank branches let to BBVA, for c.€2.0bn at a 17% premium to its book value (the BBVA portfolio represented c.15% of the total portfolio) As a result of this transaction, the company managed to significantly reduce its EPRA LTV by 800bps to c.35.8% by financial year end. This gives the company significant flexibility going forward as it evaluates its development pipeline in combination outlook for property values. Moreover, its cost of debt remains low, at an average of c.2.0%, with a hedge ratio of c.99.6%, and a weighted average loan maturity remains long at 4.9 years.

The five-year total shareholder return has been-15.4%.

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PHOENIX SPREE

31 March	[redacted]	2022
Shareholding value	£26.8m	£51.9m
% of investment portfolio[1]	2.5%	3.1%
% of equity owned	15.7%	14.7%
Share price	186p	382p

Phoenix Spree (UK)

Phoenix Spree Deutschland is a UK listed investment company that owns residential units, exclusively in Berlin, Germany The company is predominantly invested in so-called 'altbau' properties (typically built between 1900-1940) which offer features that remain highly desired by prospective tenants and buyers At the end of 2022, the company's portfolio was valued at c €776m. The company aims to maximize shareholder returns by converting rental units into condominiums and sell these in the open market at significantly higher values.

During 2023, the company continued to benefit from a structural supply and demand imbalance in Germany and Berlin specifically, which led to healthy rent growth of +3.9%, with new lettings signed 6.6% ahead of the prior year. Furthermore, increased mortgage costs will likely mean that many prospective buyers will rent for longer as mortgages have become more expensive. This will likely lead to further upward pressure to market rents. Nonetheless, property values reduced by -3.1% over the year as a result of increased interest rates, which led to a decline in the EPRA NTA of -9 7%, even as average sales prices were still materially (+22.4%) ahead of trailing book values. Whilst transaction volumes have significantly declined as a result of interest rate increases, it is expected that investment volumes should pick up again once interest rates have stabilized.

The five-year total shareholder return has been -40.5%.

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SWISS PRIME SITE

31 March	[redacted]	2022
Shareholding value	£25.6m	£27.4m
% of investment portfolio[1]	2.4%	1.6%
% of equity owned	0.5%	0 5%
Share price	CHF76.05	CHF91.25

Swiss Prime Site (Switzerland)

Swiss Prime Site is one of the largest real estate companies in Switzerland, with a diversified portfolio of real estate assets, coupled with a leading real estate investment (indirect) business. It owns a diversified real estate portfolio, which was valued at CHF13.1bn, comprising of offices (c.44.0% of value), retail (c 26.0%), logistics (9.0%), hotels (c.7.0%), with the residual c.14.0% of assets in land and other uses.

Despite a slowdown in transactions, underlying property markets in Switzerland appear to be holding up well, as the few transactions that did take place appeared broadly supportive of existing asset values. Moreover, tenant demand remains healthy. During 2022 and the early start of 2023 SPS has made significant efforts to simplify its corporate structure (the sale of Wincasa, a real estate services company) and exit the retail business (Jelmoli). Meanwhile, the underlying business continues to perform well, with like-for-like rent growth of +1.9% and further vacancy reduction (-30bps to 4.3%) whilst EPRA NTA increased modestly with +1.7% on the back of stable property values. The reported LTV reduced by 130bps over the year to 38.9% and cost of debt was kept low at 0.9%.

The five-year total shareholder return has been +5 9%.

† Notes:

- The percentage of investment portfolio positions set out above include exposures through CFD for both the individual positions and the portfolio
- The five-year total shareholder returns are the returns in the local currency of the holding

Investment properties

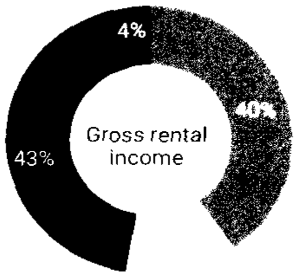
Spread of direct portfolio by capital value (%)

	Retail	Industrial	Total
West End of London	50.0	–	50.0
Inner London*	1.7	37.6	39.3
South West	–	10.7	10.7
Total	51.7	48.3	100.0

*Inner London defined as inside the North and South Circular

Lease lengths within the direct property portfolio

- 0 to 5 years
- 5 to 10 years
- 10 to 15 years
- 15 to 20 years
- 20+ years



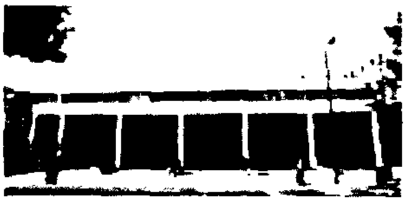
Contracted rent

£2.9m

£9.9m

£14.15m

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 ongoing development of The Whiteley. 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: Sweaty Betty, Richard Dawes Fine Wines, Lockdown Bakers

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.

10 Centre, Gloucester Business Park, Gloucester, GL3

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

The IO Centre comprises six industrial units occupied by three 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 investment objective is to maximise shareholders' total returns by investing in the shares and securities of property companies and property related businesses internationally and also in investment property located in the UK.

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 2023 had 109 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 company. The Company has no employees Its wholly non-executive Board of Directors retains responsibility for corporate strategy; corporate governance; risk management and internal control; the overall investment and dividend policies, setting limits on gearing and asset allocation and monitoring investment performance.

The Board has appointed Columbia Threadneedle Investment Business Limited as the Company's 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 49 to 51.

In accordance with the Alternative Investment Fund Managers Directive ('AIFMD'), BNP Paribas has been appointed as Depositary to the Company. BNP Paribas also provides custodial and administrative services to the Company. Company Secretarial services are provided by Columbia Threadneedle Investment Business Limited.

A summary of the terms of the Investment Management Agreement are set out on pages 58 and 59.

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 Company's 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 that there is diversification within the portfolio.

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 – 60%
Continental European listed equities	45 – 75%
Direct Property – UK	0 – 20%
Other listed equities	0 – 5%
Listed bonds	0 – 5%
Unquoted investments	0 – 5%

The asset allocation guideline upper limit for UK listed equities has increased from 50% to 60%. The requirement for the weighting to UK commercial property has not changed, however the number of companies holding real estate located in Europe but with a UK listing has increased, therefore the asset allocation guideline has been changed to accommodate this.

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 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).

Investment properties are valued every six months by an external independent valuer. Valuations of all the Group's properties as at 31 March 2023 have been carried out on a 'RICS Red Book' basis and these valuations have been adopted in the accounts.

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

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 those companies grow and become a larger part of our investment universe and/or new companies come to the market in this format the Fund Manager may wish to increase exposure to those 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 Company's objective against the following Key Performance Indicators ('KPIs'):

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

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

Outcome

	1 year	5 years
NAV Total Return* (Annualised)	-35.5%	-1.8%
Benchmark Total Return (Annualised)	-34.0%	-4.9%

* The NAV Total Return is calculated by assuming dividends paid by the Company are reinvested in the assets of the Company on the relevant ex dividend date. The benchmark total return assumes dividends are re-invested on the relevant ex dividend dates.

Although this KPI has not been met in the current year, it has over 5 years. The NAV Total Return has exceeded the benchmark for the previous 12 years.

KPI
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

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

Outcome

	1 year	5 years
Compound Annual Dividend Growth*	6.9%	4.9%
Compound Annual RPI	13.5%	5.7%

* 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 exceptional inflation figure for the year to 31 March 2023 means the Dividend Annual Growth Rate has fallen behind RPI on both a one and a five year basis. However a growing dividend has been delivered in the current and previous 12 years, despite a fall in earnings through the COVID pandemic. Over the longer term, the dividend growth rate has comfortably exceeded RPI on an annualised basis (10 years: 8.3% vs 4.0% and 20 years: 10.6% vs 3.6%).

KPI
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 company over the longer term, there are periods when the discount can widen. The Board is aware of the vulnerability of a sector-specialist 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

Board monitoring
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	5 years
Average discount*	-5.8%	-4.7%
Total number of shares repurchased	–	–

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

The discount has seen wide fluctuations through the year as market sentiment towards the sector has changed. The average discount over 1 year is wider than we have seen for a while however, over 5 years is at a similar level to the prior year level of -4.6% and to the ten year average of -4.9%.

KPI

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 trust companies 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 in order to allow a clearer comparison of overall administration costs with those of other funds investing in securities

Board monitoring

The Board monitors the Company's Ongoing Charges, *in comparison to a range of other* investment trust companies of similar size, both property sector specialists and other sector specialists. The broker provides a list of companies it believes is a reasonable comparison. Note there is no other Investment Trust specialising in property related equities.

Expenses are budgeted for each financial year and *the Board reviews reports on actual and forecast* expenses during the year.

Outcome

	1 Year	5 Years
Ongoing charges excluding performance fees	0.73%	0.64%
Ongoing charges excluding performance fees and direct property costs	0.67%	0.62%

The Company's Ongoing Charges are competitive when compared to the peer group

Costs over the year have not increased significantly; the increase in the ongoing charges percentage is as a result of the fall in NAV over the year

KPI

The Company must continue to meet the requirements of Section 1158 of the Corporation Tax Act 2010

Board monitoring

The Board reviews financial information and forecasts at each meeting which set out the requirements outlined in Section 1158

Outcome

The Directors believe that the conditions and ongoing requirements have been met in respect of the year to 31 March 2023 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

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

The ongoing conflict in Ukraine has impacted energy and commodity supplies creating inflationary pressures and prompting central banks to raise interest rates in response. Interest rates have risen more quickly and to higher levels than was initially anticipated. This has brought challenges not seen for many years and particularly impacted the property sector.

The legacy of COVID-19 has seen ongoing changes and challenges in the workplace in terms of resourcing and changes in working practices.

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 Columbia Threadneedle savings schemes and the Company participates in the active marketing of those 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 issue and to buy back 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 those. The Management Engagement Committee reviews the Manager's performance annually. The Board has the powers to change the Manager if deemed appropriate.

Principal and emerging risks
continued

Risk identified	Board monitoring and mitigation
Market risk Both share prices and exchange rates may move rapidly and can 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. They 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. Rising interest rates have an impact on both capital values and distributions of property companies. Higher interest rates depress capital values as investors demand a margin over an increased risk-free rate of return. Although the UK has now exited the European Union, the structure of its relationship with Continental Europe continues to evolve and there could be an impact on occupation across each sector. The COVID-19 global pandemic has changed the way we live and work and uncertainty remains regarding the impact on economies and property markets around the world both in the short and longer term. The invasion of Ukraine by Russia in February 2022 created further market volatility and uncertainty which remains. Inflation and interest rates are at elevated levels not seen in over 10 years. 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 2023, 66.4% of the Company's exposure was to currencies other than sterling.	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 impact of a range of current issues and sets out the Manager's response in positioning the portfolio and the ongoing implications for the property market, 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: • Although most companies negatively impacted by COVID-19 returned to paying dividends during the year, with many at pre-covid levels, rising interest rates have posed a new threat. The effect on dividends has (in general) not been felt through the financial year that we are reporting on but the increased debt costs will have an impact on earnings and hence distributions in future; • prolonged vacancies in the direct property portfolio and lease or rental renegotiations as a result of longer-term changes following COVID-19; • strengthening of sterling reducing the value of overseas dividend receipts in sterling terms. The Company saw a material increase in the level of earnings in the years leading up to the COVID-19 pandemic. A significant factor in this was the weakening of sterling following the UK's decision to leave the EU ('Brexit'). Although this has now passed, the value of sterling may continue to fluctuate in the near or medium term as the longer-term implications of Brexit and COVID-19 and the impact on the UK and European economies become clearer. The invasion of Ukraine by Russia has also increased market uncertainty. The longer-term implications will differ across the European economies. This could lead to currency volatility. 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; • changes in the timing of dividend receipts from investee companies; • legacy impact of COVID-19 on working practices and resulting changes in workspace demand; and • negative outlook leading to a reduction in gearing levels in order to protect capital has an adverse effect on earnings.	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 are drawn upon when required. The Board continues to monitor the impact of interest rates, Brexit and COVID-19 and the long-term implications for income generation.
Accounting and operational risks	
Disruption or failure of systems and processes underpinning the services provided by third parties and the risk that those suppliers provide a sub-standard service.	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 Depositary are responsible for the safeguarding of assets. In the event of a loss of assets the Depositary must return assets of an identical type or corresponding value unless it is able to demonstrate that the loss was the result of an event beyond its reasonable control.

Principal and emerging risks
continued

Risk identified	Board monitoring and mitigation
Loss of Investment Trust Status The Company has been accepted by HM Revenue & Customs as an investment trust company, 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. 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 on CTA 2010 compliance.
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 of the Alternative Investment Fund Managers Regulations, 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 Half Year and Annual Reports.	The Board receives regular regulatory updates from the Manager, Company Secretary, legal advisers and the Auditor. The Board considers those reports and recommendations and takes action accordingly. The Board receives an annual report and update from the Depositary. Internal checklists and review procedures are in place at service providers.
Inappropriate use of gearing Gearing, either through the use of bank debt or 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 out in the Board's 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.
Other 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.	Details of these risks together with the policies for managing them are found in the Notes to the Financial Statements.
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 of resources. The fee structure incentivises outperformance and is fundamental in the ability to retain key staff.

Long-term viability

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 three years. This period is used by the Board during the strategic planning process as it considers this period of time to be appropriate for a business of the Company's 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 37 to 40 and the Company's ability to continue in operation and to 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 three year forecasts for the Company with sensitivity analysis to a number of assumptions: investee company dividend growth, interest rates, foreign exchange rates, tax rates and asset value growth.

In assessing 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 equity portfolio, 50% could be liquidated within five trading days and 71% 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, property income distributions and rental income.
- The Company is able to take advantage of its closed-end investment trust company structure to hold a proportion of its portfolio in less liquid, direct property and the less liquid securities of smaller companies with a view to long term outperformance.
- At the Balance Sheet date the Company had £120 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 GBP 15 million loan notes issued on the same date are due to mature at par in 2031.
- The result of this is that of our own debt, 32% has fixed interest rates (assuming all loans are fully drawn). The flexible structure allows debt levels to be rapidly increased and reduced as needed.
- The impact of COVID-19 on the UK and European commercial property markets continued to diminish through the year. This resulted in dividend receipts from investee companies in the current year significantly stronger than the prior year as the majority of companies have now returned to paying dividends, although some at lower levels than before the pandemic.
- The invasion of Ukraine in February 2022 has created further market volatility and uncertainty. However the portfolio remains highly liquid.
- The core part of the direct property portfolio is defensively positioned, with 40% of the income secured to a major supermarket for over 10 years and benefits from fixed uplifts. The balance of the portfolio is focused on the industrial sector where the supply and demand dynamics remain positive from an occupational standpoint.
- The expenses of the Company are largely predictable and modest in comparison with the assets. Regular and robust monitoring of revenue and expenditure forecasts are undertaken throughout the year. Analysis has shown that the Company could suffer a reduction in earnings of 86% and still be able to meet its liabilities from revenue cashflow as they fell due. Expenses could be met entirely from capital if required due to the liquid nature of the portfolio.

Long-term viability
continued

- Index linked income will benefit from the increase in interest rates

- Global interest rate increases have adversely affected the property sector and the resulting increase in the cost of debt will ultimately have an impact on earnings

- Some companies fixed debt for the medium term so, for these companies, the impact of current rates will not be felt for a while

- 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 a range of factors have been considered in terms of the potential effect on sterling. 66% 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 investible sector of international stock markets and investors will continue to wish to have exposure to that sector

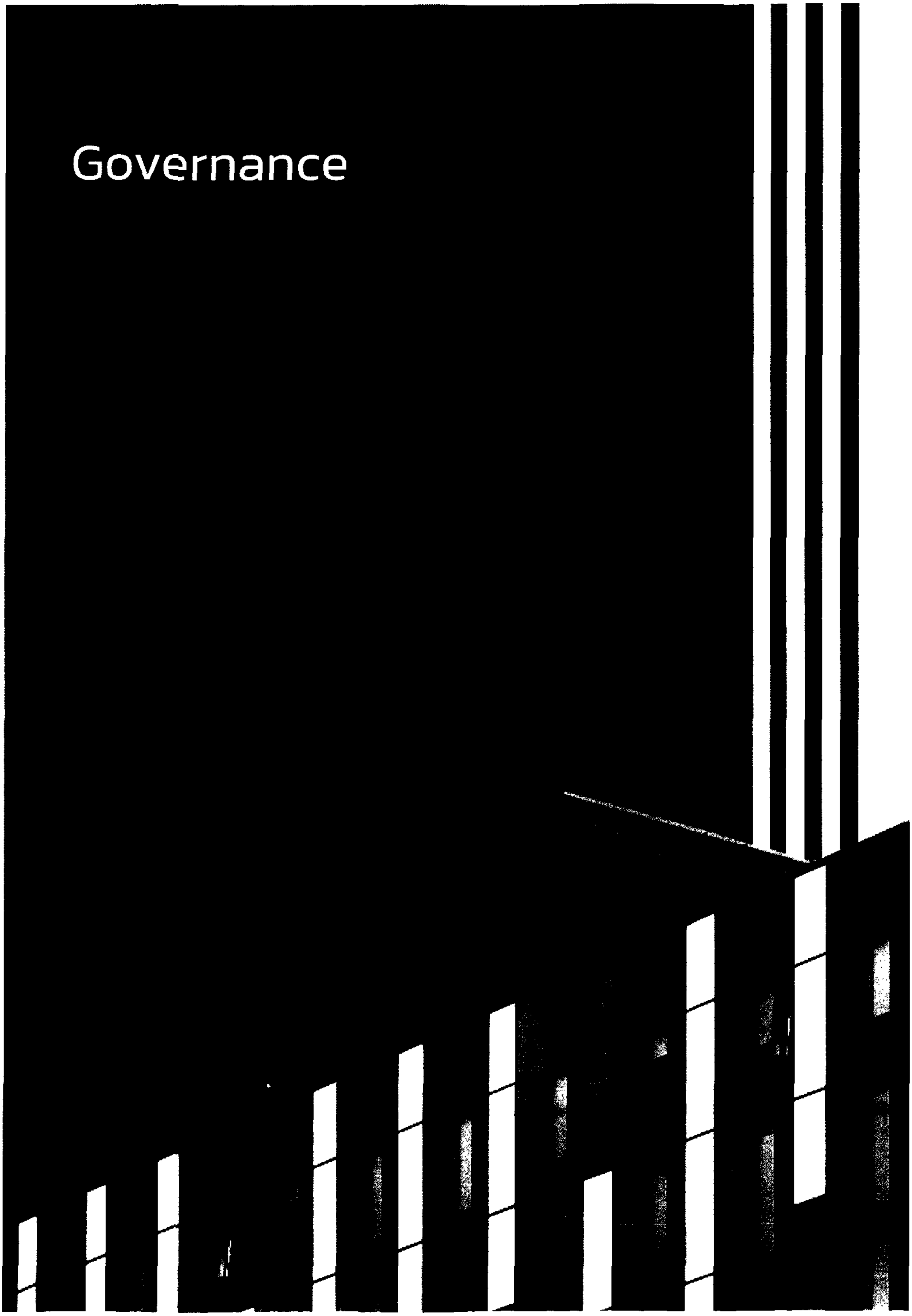
- Closed end investment trust companies will continue to be in demand by investors and regulation or tax legislation will not change to an extent to make the structure unattractive in comparison to other investment products

- The performance of the Company will continue to be satisfactory. Should the Board deem that performance is less than satisfactory, it has the appropriate powers to replace the Investment Manager

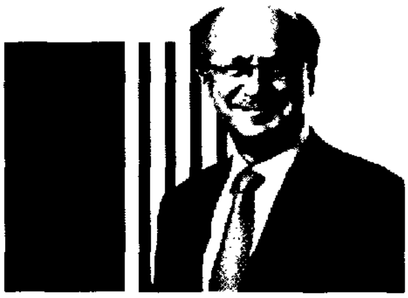
The Company's business model, capital structure and strategy have enabled it to operate over many decades and the Board expects this to continue into the future. The Directors confirm therefore that they have a reasonable expectation that the Company will continue in operation and meet its liabilities in full over the coming three years to 31 March 2026.

By order of the Board
David Watson

Governance



Directors



David Watson

Appointed:
April 2012

Experience:
David became Chairman in July 2020, prior to which he served as the Board's Senior Independent Director ('SID') and Chairman of the Audit Committee. David 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 was Chairman of Aegon Asset Management UK plc until September 2022. David 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 on a number of boards have built significant experience in shareholder and investor engagement.

Other appointments:
David is currently a Director of the Prudential Assurance Company where he Chairs the Audit Committee.

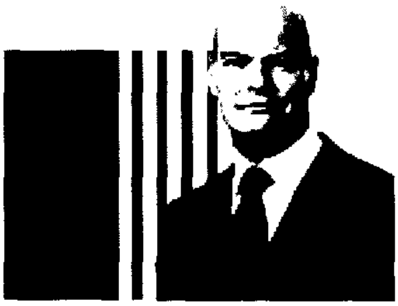
Kate Bolsover

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 that, she worked extensively in the investment fund industry and was Managing Director of Baring's mutual funds group. Kate was previously a non-executive director of JPMorgan American Investment Trust plc, Senior Independent Director of Montanaro UK Smaller Companies Trust and Chairman and Trustee of Tomorrow's People.

Skills and contribution to the Board:
From her executive experience Kate contributes significant and relevant skills of the investment industry. Her role on various boards also gives her the relevant experience in shareholder and investor 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 and of Bellevue Healthcare Trust.



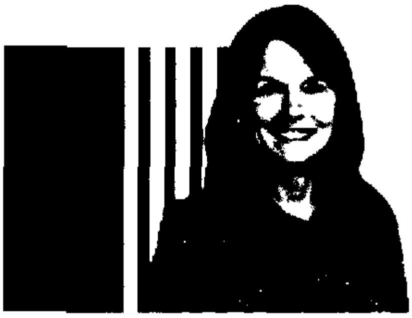
Tim Gillbanks

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 finance 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 of Brown Shipley & Co Limited, Janus Henderson (UK) Investors Limited and Janus Henderson Group Holdings Limited. He is also Vice-Chair of the Board of Trustees of Blood Cancer UK.



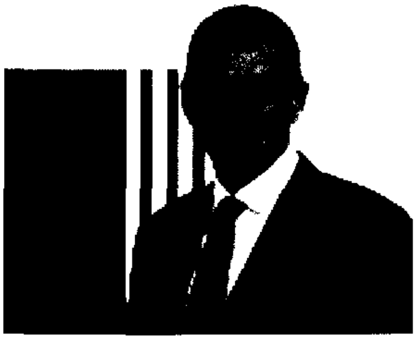
Sarah-Jane Curtis

Appointed:
January 2020

Experience:
Sarah-Jane is a Member of the Royal Institution of Chartered Surveyors. She was previously Business Director at Bicester Village for Value Retail. Prior to that Sarah-Jane was a director of 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 in 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.



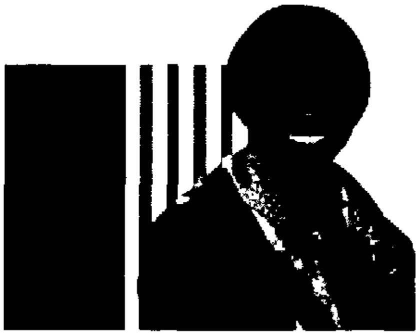
Andrew Vaughan

Appointed:
August 2022

Experience:
Andrew joined Redevco UK in 2000 as Managing Director and was appointed CEO in 2011. He began his career at Friends Provident where he was a fund manager. Andrew spent three years at Moorfield Group as an Investment Specialist before joining Redevco. He has a BSc in Urban Estate Surveying.

Skills and contribution to the Board:
Andrew brings deep experience as a pan-European direct property investor.

Other appointments:
Andrew is Chief Executive Office of Redevco B.V.



Busola Sodeinde

Appointed:
January 2023

Experience:
Busola is a Chartered Management Accountant who has spent most of her executive career in Financial Services. Until 2019 she was a Managing Director/Chief Financial Officer at State Street Global Markets EMEA, prior to which she was Finance Director to the Corporate Finance team of Deutsche Bank Capital Markets. Busola is the founder of a digital publishing firm focused on literacy and is also a supporter of women-led ventures.

Skills and contribution to the Board:
Busola has considerable experience in the financial services sector and from her non-executive career has gained expertise *in audit and risk. She also has experience* in digital (social) media and consumer engagement.

Other appointments:
Busola is a non-executive director of Hargreave Hale AIM VCT PLC, The Ombudsman Services, a trustee of the Church Commissioners for England, where she sits on the Audit & Risk Committee and a Trustee of The Scouts Association.

Managers

Marcus Phayre-Mudge

Marcus Phayre-Mudge 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 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.

George Gay

George Gay 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 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 2023. 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 42.

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 it 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 2023 the net assets of the Company amounted to £968 million (2022: £1,563 million), on a per share basis 305.13p (2022: 492.43p) per share.

Revenue earnings per share for the year amounted to 17.22p (2022: 13.69p) and the Directors recommend the payment of a final dividend of 9.85p (2022: 9.20p) per share bringing the total dividend for the year to 15.50p (2022: 14.50p). In arriving at their dividend proposal, the Board also reviewed the income forecast for the year to March 2024.

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 35 and 36. 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 2023 the Company had 317,350,980 (2022: 317,350,980) Ordinary shares in issue.

At the AGM in 2022 the Directors were given power to buy back up to 47,570,911 Ordinary shares. Since that AGM the Directors have not bought back any Ordinary shares under that authority, which will expire at the 2023 AGM. The Board will seek to renew the authority to make market purchases of the Company's Ordinary shares at this year's AGM.

Since 1 April 2023 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 58. 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 2023 amount to 0.6% (2022: 2.0%) of Group Equity Shareholders' Funds. *No performance fee was earned in the year ended* 31 March 2023 (2022: £24,489,000).

Basis of accounting and IFRS

The Group and Company financial statements for the year ended 31 March 2023 have been prepared on a going concern basis in accordance with UK-adopted international accounting standards and in conformity with the requirement of the Companies Act 2006. The financial statements have also been prepared in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') to the extent that it is consistent with UK-adopted International accounting standards.

The accounting policies are set out in note 1 to the Financial Statements on pages 80 to 83.

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.

Risk management and internal control

The Board has overall responsibility for the Group's system of risk management and internal control and for reviewing its 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 system of risk management and internal control aims 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 37 to 40.

The effectiveness of each third-party provider's internal controls is assessed on an ongoing 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 risk management and internal control and the Board and Audit Committee receive regular reports from them. The risk management and internal control system is 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. It undertakes an annual review of the Group's system of risk management and internal control in line with relevant 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 any identified internal control failures or errors.

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 Columbia Threadneedle Investment Business Limited 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 year under review and up to the date of signing the accounts.

Key risks identified by the Auditor 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 Company's AGM will be held at the Royal Automobile Club, 89/91 Pall Mall, London SW1Y 5HS on Thursday 20 July 2023 at 2.30pm. The Notice of AGM is set out on pages 110 to 114 and explanatory notes follow on pages 115 and 116.

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 Directors' appointment letters can be found on page 57.

Listing Rule 9.8.4R

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 2023.

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 of Association (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 a 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

As at 31 March 2023, the following shareholders had notified that they held over 3% of the voting rights in the Company on a non-discretionary basis.

Shareholder	% of voting rights*
Brewin Dolphin Ltd	11.0%
Interactive Investor Share Dealing Services	8.4%
Rathbone Investment Management Ltd	4.9%
Hargreaves Lansdown Asset Management Ltd	5.5%
Quilter Cheviot Investment Management Ltd	3.7%
Investec Wealth & Investment Ltd	3.6%
Charles Stanley Group plc	3.2%
Smith & Williamson Investment Managers	3.0%

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

Since 31 March 2023 the Company has been informed that Integrafin Holdings plc hold 4.0% of the voting rights in the Company.

Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a General Meeting of the shareholders. They were amended at the 2021 AGM and are available to view on the Company's website.

Corporate Governance

Full details are given in the Corporate Governance Report on pages 49 to 55. 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 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 principles 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 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 year under review the Company has 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 31 March 2023.

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 19: The Chairman has served on the Board for more than nine years. In accordance with the AIC Code, the Board nonetheless considers that he is independent. He will stand down at the forthcoming AGM.

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 system of risk management and internal control.

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 six 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 their ability to act independently. The Board's policy on tenure is that continuity and experience add significantly to the strength of the Board, although it believes in the merits of an ongoing and progressive refreshment of its composition.

Diversity

The Board recognises the benefit of diversity and as at the date of this report it comprises three men and three women. Diversity is taken into account as part of the recruitment, appointment and succession planning process. 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.

In accordance with Listing Rule 9.8.6R (9), (10) and (11) the Board has provided the following information in relation to its diversity.

Board Gender as at 31 March 2023[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	**3**	**50%**	**2[2]**
Women	**3**	**50%[3]**	**1[4]**

1 The Company does not disclose the number of Directors in executive management as this is not applicable for an investment trust company.

2 The three senior positions are: Chairman of the Board, Senior Independent Director and Chairman of the Audit Committee. Note: the position of the Chairman of the Audit Committee is not currently defined as a senior position under the Listing Rules, however the Board believes that, for an investment trust company, it should be regarded as such as it is broadly equivalent to the Chief Financial Officer of a trading company.

3 This meets the Listing Rules target of 40%.

4 This meets the Listing Rules target of 1.

Board Ethnic Background as at 31 March 2023 [1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority-white groups)	5	83%	3[2]
Mixed/Multiple Ethnic Groups	1	17%	-

[1] The Company does not disclose the number of Directors in executive management as this is not applicable for an investment trust company.

[2] The three senior positions are Chairman of the Board, Senior Independent Director and Chairman of the Audit Committee. Note the position of the Chairman of the Audit Committee is not currently defined as a senior position under the Listing Rules, however the Board believes that, for an investment trust company, it should be regarded as such as it is broadly equivalent to the Chief Financial Officer of a trading company.

The information included in the above tables has been obtained through questionnaires completed by the individual Directors.

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

Simon Marrison retired from the Board at the conclusion of the 2022 AGM. Andrew Vaughan was appointed a Director on 1 August 2022 and Busola Sodeinde joined the Board on 24 January 2023. The Directors' biographies are set out on pages 44 and 45. All Directors will stand for re-election by shareholders at the forthcoming AGM in accordance with the Code, with the exception of David Watson, who will retire from the Board at the conclusion of the meeting. Kate Bolsover will succeed him as Chairman and Tim Gilbanks will become Senior Independent Director.

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 avoids duplication of discussion between the Board and the Committees.

The roles and responsibilities of each Committee are set out in 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.

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[1]	2	2	1	1	0	0	0	0
Kate Bolsover	6	6	2	2	1	1	1	1
Sarah-Jane Curtis	6	6	2	2	1	1	1	1
Andrew Vaughan[2]	4	4	1	1	1	1	1	1
Busola Sodeinde[3]	2	2	0	0	1	1	1	1

[1] Retired from the Board on 26 July 2022

[2] Appointed to the Board on 1 August 2022

[3] Appointed to the Board on 24 January 2023

In addition to formal Board and Committee meetings, the Directors also attend a number of ad hoc meetings which are convened as and when necessary.

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 Half Year 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.

The Annual Report and Accounts and Notice of the AGM are issued to shareholders so as to provide at least twenty working days' notice of the AGM, in accordance with corporate governance best practice. 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 118.

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 year. 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.

On 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 receive regular relevant technical updates and training. The Directors also have access to the advice and services of the Company Secretary and, when deemed necessary, they have the opportunity to seek independent professional advice in the furtherance of their duties as a Director at the Company's expense.

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. 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 future strategy. In addition, the Board, together with the Manager, holds 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 company 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.

Stakeholder Group and why they are important	Board engagement
Shareholders	
Shareholder support is essential to the existence of the Company and delivery of the 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. The Manager gives a presentation at the AGM on the Company's performance and the future outlook. Shareholders have the opportunity to meet the Directors and Manager and to address questions to them directly. *The Company values any feedback and questions it receives from shareholders ahead of* and during the AGM and takes action or makes changes if and when 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 Company's financial position. This is supplemented by daily publication of the NAV on the London 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 and ensure that it meets its relevant obligations as an investment trust company and a constituent of the FTSE 250	The Board maintains regular contact with its key external providers and receives regular reporting from them through 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 delivering long term returns consistently.
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 and the Company meet the 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 the other requirements of section 172 which form part of Board's decision-making process. The following key decisions taken by the Board during the year ended 31 March 2023 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.

Dividends

Subject to shareholder approval of the proposed final dividend, the Company will pay a total dividend of 15.50p for the financial year, representing an increase of 6.9% on the previous year. Income rose sharply as companies resumed paying dividends and, as a result, this year's dividend is covered by earnings. Initial forecasts for the financial year to 31 March 2024 indicate that revenue may fall again as a number of companies have suspended dividends. The Board recognises the importance of dividends to shareholders and subject to careful review of the Company's revenue forecasts and reserves together with the investment outlook, it remains prepared to use revenue reserves to support the dividends paid to shareholders over periods of income shortfall or volatility for identified reasons.

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. The Board continued to consider the impact on the Company (including portfolio activity, risks and opportunities, gearing, revenue forecasts and the operations of other third party providers) of a number of events through the financial year to ensure that the portfolio had sufficient resilience together with the Company's operational structure to meet the unprecedented circumstances.

Culture and business conduct

The Board believes that having a good corporate culture, particularly in its engagement with the Manager, shareholders and other key stakeholders, aids delivery of its long-term strategy. In line with this purpose, the Board promotes a culture of openness, debate and integrity through ongoing engagement with the Manager and with its other service providers. 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 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 (for more information see the Board evaluation section on page 56).

The Board seeks to appoint the best possible service providers and evaluates their service on a regular basis as described on page 58. The Board considers the culture of the Manager and other service providers, including their policies, practices and behaviour, through regular reporting from those 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 those matters and the effectiveness of those 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 allow it, to the extent permitted by the Companies Acts, to indemnify the Directors against any liability.

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 the Auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 44 and 45. Having made enquiries of fellow Directors and of the Company's Auditor, each of the Directors confirms that:

- so far as they are aware, there is no information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is 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.

J Latter

By order of the Board,
Columbia Threadneedle Investment Business Limited,
Company Secretary

Report of the Nomination Committee

Nomination Committee

Chairman: David Watson

Key responsibilities

- Review the Board and its Committees and make recommendations to the Board 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 annually, and more frequently as and when required. It last met in March 2023.

Activity during the year

The Committee discussed succession planning of the Board, its tenure and diversity policies. It reviews annually the size and structure of the Board and will continue to review succession planning and further recruitment, taking into account the recommendations of Board evaluations. The Committee appointed a search consultant and, following interviews with a number of suitable candidates, it recommended the appointment of Busola Sodeinde to the Board.

Board evaluation

During the year the Board engaged Tim Stephenson of Stephenson & Co, an independent company which specialises in investment trust board evaluations, to facilitate an independent evaluation of the effectiveness of the Board, its committees and the performance of each Director. In addition to the Directors, the most senior members of the Investment Management teams were interviewed. Mr Stephenson's report was discussed by the Committee.

The evaluation was considered by the Committee to be constructive in terms of analysing Board composition and providing recommendations on Board succession planning.

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.

In light of the external performance evaluation, the Board confirms that the performance of each Director continues to be effective and demonstrates their commitment to their role. Therefore all Directors, with the exception of David Watson, will offer themselves for re-election at the forthcoming AGM. Further information on each Director's skills, experience and their contribution to the Board are outlined in the biographies on pages 44 and 45.

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 during the year ending 31 March 2026. The Board will continue to complete an internal board evaluation annually in the intervening years.

Board's policy on tenure

Provision 24 of the AIC Code of Corporate Governance allows a different approach to tenure in relation to investment companies, reflecting how they differ to operating companies in not having a chief executive. The Board took into consideration the approach and introduced its 'Policy Governing Board Members' Tenure and Reappointment'. This policy outlines the Board's approach to tenure and reappointment of non-executive directors. It states its 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 two to three years so as regularly to bring the stimulus 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.

Board Succession

Having served as a Director since 2012, I will stand down from the Board at the conclusion of the forthcoming AGM. Kate Bolsover will succeed me as Chairman. Tim Gillbanks will succeed Kate as Senior Independent Director. Busola Sodeinde was appointed a Director on 24 January 2023. An independent third party agency, Nurole Limited, was engaged for the recruitment process which resulted in Busola's appointment. Nurole have no other connection with the Company.

Directors' training

On appointment, new Directors are 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 at the AGM.

David Watson

Report of the Management Engagement Committee

Management Engagement Committee (the 'MEC')

Chairman: David Watson

Key responsibilities

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

In addition to investment management, the Board has delegated to external third parties the depositary and custodial services functions (which include the safeguarding of assets), the day to day accounting, company secretarial, administration and share 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 MEC determines and approves Directors' fees, 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 63 to 65.

The MEC meets at least annually, towards the end of the financial year and last met in March 2023.

Activity during the year

At the meeting held in March 2023, the MEC reviewed the 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 2024 being in the best interests of all shareholders. A summary of the significant terms of the Investment Management Agreement and the third-party service providers who support the Company are set out below.

During the year, the MEC also reviewed the performance of all their third party service providers including BNP Paribas, Computershare, Columbia Threadneedle acting as Company Secretary, both firms of corporate brokers, Panmure Gordon and Stifel, 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 it was 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 (now Columbia Threadneedle Investment Business Limited) as the Company's 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:

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 £3,895,000 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 2024 and the fixed element of the fee will increase to £4,090,000, whilst 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.

'Adjusted Net Assets' means the Net Asset Value after (i) excluding any increases or decreases in Net Asset Value attributable to the issue or repurchase of any Ordinary Shares; (ii) adding back the aggregate amount of any dividends paid or distributions made in respect of any Ordinary Shares; and (iii) excluding the amount of any Performance Fee accrued for the period.

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. The -1.5% underperformance of the benchmark in the current year has been offset against the brought forward outperformance as described above. As a result of this, the carry forward of outperformance at 31 March 2023 is 0.4% (2022: 1.9%).

Management company

On 8 November 2021 BMO's asset management business in Europe, the Middle East and Africa became part of Columbia Threadneedle Investments, the global asset management business of Ameriprise Financial, Inc. The process of integrating the two firms is well advanced and both companies have confirmed the importance of maintaining the stability and continuity of the teams which support the Company.

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 service providers fees

Custody and Administration Services are provided by BNP Paribas and Company Secretarial Services by Columbia Threadneedle Investment Business Limited. The fees for these services are charged directly to the Company and are disclosed within other administrative expenses disclosed in notes to the accounts.

David Watson

Report of the Audit Committee

Audit committee

Chairman: Tim 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 Half year and Annual Reports;
- Review accounting policies and significant financial reporting judgements;
- Monitor, together with the Manager, the Company's compliance with financial reporting, maintenance of Investment Trust status and regulatory requirements; and
- Consider 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 committee meetings at the Committee Chairman's request.

Representatives of the Company's Auditor attend the Committee meetings at which the draft Half Year 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 at least one *Committee member to have recent and relevant financial* experience and for the Audit Committee as a whole to have competence relevant to the sector. The Committee Chairman, Mr Watson and Ms Sodeinde are qualified 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 impact of the COVID-19 pandemic, Russia's invasion of Ukraine, inflationary and interest rate increases across a range of risk categories;
- The Group's Internal Controls and consideration of the Reports thereon;
- The ISAE/AAF reports or their equivalent from BMO/Columbia Threadneedle 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 Auditor concerning its 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 Long-Term 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 Half Year and Annual Reports to assess whether taken as a whole, they are fair, balanced and understandable and the information *presented will enable shareholders to assess the* Company's position, performance, business model and strategy;
- The performance of the external auditor, 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 renewal of the Committee's terms of reference, ensuring they remain appropriate and compliant with the 2018 UK Corporate Governance Code.

Going concern

In assessing whether it continues to be appropriate to prepare the Accounts on a Going Concern basis, the Committee 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.

In light of the testing carried out, the overall levels of the investment liquidity held by the Company and the significant net asset position, the Parent Company and Group, the Directors confirm that they 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 continue to adopt the Going Concern basis of accounting.

The long-term viability of the Company was also assessed as set out on pages 41 and 42.

Risk management and internal control

The Board has overall responsibility for the Group's system of Risk Management and Internal Control and for reviewing their effectiveness. Key risks identified by the Auditor 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 48.

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 emerging risks and whether any adjustments were required to existing risks, and the controls and mitigation measures in place in respect of those risks.

Elevated levels of inflation and interest rates and the Russian invasion of Ukraine were also considered and the risks associated with those events reflected in the risk map.

The legacy impact of COVID-19 on economies around the world and operational changes made by our service providers in response to changing workplace practices were considered and the risk map adjusted accordingly.

Based on the processes and controls in place within Columbia Threadneedle Investments and other significant service providers the Board has concurred that there is no current need for the Company to have its own internal audit function.

Significant issues in relation to the financial statements

The Committee has considered this report and financial statements and the Long-Term Viability statement on pages 41 and 42. 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 those risks on an ongoing basis. Those risks are also highlighted in the Committee'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 30 September 2022 which did not reveal any significant exceptions. The quarterly control report to the Board from BNP Paribas covering the period up to 31 March 2023 disclosed no significant issues to report. In addition, on each business day, the Manager estimates the NAV using an alternative pricing source as an independent check.

The Auditor 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 Auditor has 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 2023 that was material or significant or that the Committee felt should be brought to shareholders' attention.

Auditor assessment and independence

The Company's external auditor KPMG LLP ("KPMG") was appointed as the Company's auditor at the 2016 AGM. The Committee undertook a review during 2021 to ensure that shareholders were receiving the best services and value for money. A number of firms were invited to express interest and respond on a small number of key points. The decision was made for the audit to remain with KPMG. This is Mr Merchant's second year as the Company's Audit Partner.

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 current audit regulations.

At the half year meeting of the Committee, KPMG presented their audit plan for the year end 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 is independent.

Total fees payable to the Auditor in respect of the audit for the year to 31 March 2023 were £97,000 (2022: £82,000) 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.

Full details of the Auditor's fees are provided in note 6 to the accounts on page 85. The fees for non-audit services for the year to 31 March 2023 were nil (2022: nil).

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 peers and the targets set by the FRC. The review following the completion of the 2023 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. A resolution to re-appoint KPMG LLP as the Company's Auditor will be put to shareholders at the forthcoming AGM.

Tim Gillbanks

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 Auditor, 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 2023 and considered the results and feedback from the Board evaluation. It was agreed that the Directors' fees would be increased, with effect from 1 April 2023, to the following levels: Chairman £73,000; Audit Committee Chairman £43,000; Senior Independent Director £43,000, and other Directors £37,000.

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 2024. In accordance with the regulations, an ordinary resolution to approve the Directors' remuneration policy will be put to shareholders at the forthcoming AGM on 20 July 2023, as required every three years.

The Directors are paid 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 comprises entirely of non-executive Directors, whose appointments are reviewed formally every year. 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 and no payments made for loss of office. The terms of their appointment are detailed in an appointment letter when they join the Board. As the Directors do not have service contracts, the Company does not have a policy on termination payments. The Company's Articles of Association currently limit the total aggregate fees payable to the Board to £300,000 per annum.

Any 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 2022 AGM, 99.8% of shareholders' votes cast were in favour of the resolution approving the Directors' Remuneration Report, with 0.2% against, showing very 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**	**Other**
The aggregate limit for the fees for the Board as a whole is £300,000 per annum which, in accordance with the Articles of Association, is divided between the Directors as they deem appropriate Fees are set to reflect the role of each Board member and the time commitment required to carry out their duties and are reviewed with reference to the fees paid to 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 are 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 schemes or other non-cash benefits or taxable expenses.

Annual remuneration report

For the year ended 31 March 2023, Directors' fees were paid at the annual rates of Chairman £72,000 (2022 £70,000) and all other Directors £36,000 (2022 £36,000). An additional £6,000 was 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 2023 £	31 March 2022 £
David Watson	72,000	70,000
Simon Marrison [1]	14,000	40,000
Tim Gillbanks [2]	42,000	40,000
Kate Bolsover	40,069	35,000
Sarah-Jane Curtis	36,000	35,000
Andrew Vaughan [3]	24,000	-
Busola Sodeinde [4]	6,831	-
Total	234,900	220,000

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.

[1] resigned from the Board on 26 July 2022

[2] appointed Senior Independent Director on 26 July 2022

[3] appointed to the Board on 1 August 2022

[4] appointed to the Board on 24 January 2023

Company performance

The graph below compares, for the ten years ended 31 March 2023, 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.

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

Share Price Total Return assuming investment of £1,000 on 31 March 2013 and reinvestment of all dividends (excluding dealing expenses) (Source: Thames River Capital)

Benchmark Total Return assuming notional investment into the index of £1,000 on 31 March 2013. (Source: Thames River Capital)

Directors' shareholdings (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 2023 or as at date of appointment	31 March 2022
David Watson	41,864	36,407
Kate Bolsover	2,360	2,360
Sarah-Jane Curtis	10,009	5,237
Tim Gillbanks	-	-
Busola Sodeinde	-	n/a
Andrew Vaughan	11,071	n/a

Since 31 March 2023 to the date of this report, there have been no changes to the Directors' interests in the shares of the Company.

Relative Importance of spend on pay

	2023 £'000	2022 £'000	Change
Dividends paid	47,127	45,381	3.8%
Directors' fees	228	220	3.6%

Five year change comparison

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

	2023 £'000	2018 £'000	Change over 5 years	Annualised Change
Chairman	72	70	2.9%	0.6%
Audit Committee Chairman	42	38	10.5%	2.0%
Senior Independent Director	42	38	10.5%	2.0%
Director	36	33	9.1%	1.8%

Annual percentage change in Directors Fees

The table below sets out the annual percentage change in fees for each director who served in the year under review.

Director	% change from 2022 to 2023 *(audited)* %	% change from 2021 to 2022 *(audited)* %	% change from 2020 to 2021 *(audited)* %
David Watson	+2.9	+15.8[(1)]	+51.2[(1)]
Simon Marrison	-65.0[(5)]	+4.1[(2)]	+9.7[(2)]
Tim Gillbanks	+5.0	0.0	0.0
Kate Bolsover	+14.5	0.0	+100.0
Sarah-Jane Curtis	+2.9	0.0	+449.3[4]
Andrew Vaughan	n/a	n/a	n/a
Busola Sodeinde	n/a[(6)]	n/a	n/a

Appointed as Chairman with effect from 28 July 2020, increase reflects the initial part year and subsequent full year in the role

Appointed as Senior Independent Director with effect from 28 July 2020 increase reflects the initial part year and subsequent full year in the role

Appointed as a non-executive Director on 1 October 2019, increase reflects the first full year with the Company

Appointed as a non executive Director on 28 January 2020 increase reflects the first full year with the Company

Retired 26 July 2022

Appointed as Senior Independent Director with effect from 26 July 2022 increase reflects the change in role during the year

Appointed as a non executive Director on 1 August 2022

Appointed as a non-executive Director on 24 January 2023

For and on behalf of the Board
David Watson

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

The Directors are responsible for preparing the Annual Report and the Group and Parent Company 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. Directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements on the same basis.

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 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 UK-adopted international accounting standards;
- 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.

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.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The Auditor's report on these financial statements provides no assurance over the ESEF format.

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 that 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

KPMG

Independent auditor's report

to the members of TR Property Investment Trust Plc

01 Our opinion is unmodified

We have audited the financial statements of TR Property Investment Trust Plc (the 'Company') for the year ended 31 March 2023 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 Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's return for the year then ended;
- the Group financial statements have been properly 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.

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.

We were first appointed as auditor by the Directors on 2 November 2016. The period of total uninterrupted engagement is for the seven financial years ended 31 March 2023. We have fulfilled our ethical responsibilities under, and we remain independent of the Group 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.

Overview		
Materiality: group financial statements as a whole		£10.5m (2022: £16.8m) 1% (2022: 1%) of Total Assets
Key audit matters vs 2022		**vs 2022**
Recurring risks	Valuation of direct property investments	◄►
	Carrying amount of listed investments	◄►

02 Key audit matters: 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 2022), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings from those procedures in order that the Company's members, as a body, may understand better the process by which we arrived at our audit opinion. These matters were addressed, and our findings 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.

02 Key audit matters: our assessment of risks of material misstatement

	The risk	Our response
Valuation of direct property investments (Group and Parent) (£74.0 million; 2022: £96.3million) Refer to pages 60 to 62 (*Audit Committee Report*); pages 81 and 82 (*accounting policy*); *note 10* on pages 89 to 92 (*financial disclosures*)	**Subjective valuation:** 7.0% (2022: 5.7%) of the Group's, and 6.8% (2022: 5.6%) of the Parent Company'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 estimated rental value and yield assumptions. The assumptions will be impacted by a number of factors including quality and condition of the building and tenant financial 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 any of the Group's *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 is appropriate. Using our own property valuation specialist, we critically assessed 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 assumptions made when valuing the direct property investments. ***Our findings*** We found the Group's valuation of investment *properties to be balanced* (2022: balanced). We have considered the associated disclosures to be proportionate.

	The risk	Our response
Carrying amount of listed investments (Group and Parent) (£872.1 million; 2022: £1,456.8 million) Refer to pages 60 to 62 (Audit Committee Report), page 82 (accounting policy) and note 10 on pages 89 to 92 (financial disclosures)	**Low risk, high value:** The portfolio of listed level 1 investments makes up 83.0% (2022: 86.4%) of the Group's, and 80.2% (2022: 84.6%) of the Parent Company'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 material 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 any of the group's 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: • **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 findings** We found no differences from third party holdings confirmations nor from the externally quoted prices of a size to require reporting to the Audit Committee (2022: no differences).

03 Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £10.5m (2022: £16.8m), determined with reference to a benchmark of total assets, of which it represents 1.0% (2021: 1.0%).

Materiality for the parent Company financial statements as a whole was set at £9.97m (2022: £16.0m), which is the component materiality for the Parent Company determined by the Group audit engagement team. This is lower than the materiality we would otherwise have determined with reference to Parent Company total assets, of which it represents 0.95% (2022: 0.95%).

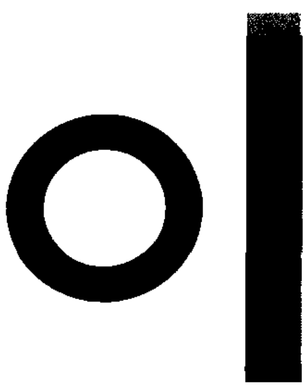
In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to £7.85m (2022: £12.6m) for the Group and £7.45m (2022: £12m) 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.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.53m (2022: £0.84m) for the Group and exceeding £0.5m (2022: £0.8m) for the Parent Company, in addition to other identified misstatements that warranted reporting on qualitative thresholds.

The audit team performed the audit of the Group as a single aggregated set of financial information rather than scoping in individual components. This approach is unchanged from the prior year. The audit of the Group and Parent Company was performed using the materiality levels set out above and was performed by a single audit team. The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal controls over financial reporting.

Total Assets
£1,051m (2022: £1,686m)

Group Materiality
£10.5m (2022: £16.8m)



£10.5m
Whole financial statements materiality (2022: £16.8m)

£7.85m
Whole financial statements performance materiality (2022: £12.6m)

£9.97m
Parent Company Materiality (2022: £16.0m)

£0.5m
Misstatements reported to the audit committee (2022: £0.8m)

■ Total Assets

04 The impact of climate change on our audit

We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit. Level 1 listed investments make up 83.0% of the Group's total assets, for which fair value is determined as the quoted market price. Therefore, we assessed that the financial statement estimate that is primarily exposed to climate risk is the investment property portfolio, for which the valuation assumptions and estimates may be impacted by physical and policy or legal climate risks, such as flooding or an increase in climate related compliance expenditure. We held discussions with our own climate change professionals to challenge our risk assessment. We assessed that, whilst climate change posed a risk to the determination of investment property valuations in the current year, this risk was not significant when considering both the nature and domicile of the properties and the tenure of unexpired leases. Therefore, there was no significant impact of this on our key audit matters.

We have read the disclosure of climate related narrative in the front half of the financial statements and considered consistency with the financial statements and our audit knowledge.

05 Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the 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 their 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 or covenant compliance 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 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's 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 on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and 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 page 61 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 the Company will continue in operation.

06 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 communicated identified fraud risk throughout the audit team and remained alert to any indications of fraud throughout the audit. 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 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. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. As the Parent Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

Firstly, the Group 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.

We assessed the legality of the distributions made by the Company in the period based on comparing the dividends paid to the distributable reserves prior to each distribution.

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.

06 Fraud and breaches of laws and regulations – ability to detect

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.

07 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 Long-term Viability statement on page 41 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 and emerging 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 Long-term Viability statement of how they have assessed the prospects of the Group, 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 Long-term Viability statement set out on page 41 and 42 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 Group's and 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 the 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

08 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us, or

- the parent Company 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

09 Respective Responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 66, 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 Group and parent 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 Group or the parent 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

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format

10 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company'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 Company's members those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Company and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

KPMG

Financial statements

Group statement of comprehensive income

	Notes	Year ended 31 March 2023 Revenue Return £'000	Year ended 31 March 2023 Capital Return £'000	Year ended 31 March 2023 Total £'000	Year ended 31 March 2022 Revenue Return £'000	Year ended 31 March 2022 Capital Return £'000	Year ended 31 March 2022 Total £'000
Income							
Investment income	2	**52,077**	**-**	**52,077**	44,170	-	44,170
Other operating income	4	**255**	**12**	**267**	5	-	5
Gross rental income	3	**3,513**	**-**	**3,513**	2,773	-	2,773
Service charge income	3	**946**	**-**	**946**	1,103	-	1,103
(Losses)/gains on investments held at fair value	10	**-**	**(549,430)**	**(549,430)**	-	249,038	249,038
Net movement on foreign exchange; investments and loan notes		**-**	**(2,780)**	**(2,780)**	-	1,136	1,136
Net movement on foreign exchange; cash and cash equivalents		**-**	**2,016**	**2,016**	-	637	637
Net returns on contracts for difference	10	**9,462**	**(45,556)**	**(36,094)**	5,701	16,361	22,062
Total Income		**66,253**	**(595,738)**	**(529,485)**	53,752	267,172	320,924
Expenses							
Management and performance fees	5	**(1,560)**	**(4,680)**	**(6,240)**	(1,663)	(29,477)	(31,140)
Direct property expenses, rent payable and service charge costs	3	**(1,660)**	**-**	**(1,660)**	(1,435)	-	(1,435)
Other administrative expenses	6	**(1,163)**	**(542)**	**(1,705)**	(1,621)	(608)	(2,229)
Total operating expenses		**(4,383)**	**(5,222)**	**(9,605)**	(4,719)	(30,085)	(34,804)
Operating profit/(loss)		**61,870**	**(600,960)**	**(539,090)**	49,033	237,087	286,120
Finance costs	7	**(1,146)**	**(3,438)**	**(4,584)**	(629)	(1,886)	(2,515)
Profit/(loss) from operations before tax		**60,724**	**(604,398)**	**(543,674)**	48,404	235,201	283,605
Taxation	8	**(6,087)**	**2,495**	**(3,592)**	(4,967)	3,049	(1,918)
Total comprehensive income		**54,637**	**(601,903)**	**(547,266)**	43,437	238,250	281,687
Earnings/(loss) per Ordinary share	9	**17.22p**	**(189.67)p**	**(172.45)p**	13.69p	75.07p	88.76p

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

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

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

The notes from pages 80 to 104 form part of these Financial Statements.

Group and Company statement of changes in equity

Group

For the year ended 31 March 2023	Notes	Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
At 31 March 2022		**79,338**	**43,162**	**43,971**	**1,396,268**	**1,562,739**
Total comprehensive income		**-**	**-**	**-**	**(547,266)**	**(547,266)**
Dividends paid	17	**-**	**-**	**-**	**(47,127)**	**(47,127)**
At 31 March 2023		**79,338**	**43,162**	**43,971**	**801,875**	**968,346**

Company

For the year ended 31 March 2023	Notes	Share *Capital* £'000	Share Premium *Account* £'000	Capital Redemption *Reserve* £'000	Retained *Earnings* £'000	*Total* £'000
At 31 March 2022		**79,338**	**43,162**	**43,971**	**1,396,268**	**1,562,739**
Total comprehensive income		**-**	**-**	**-**	**(547,266)**	**(547,266)**
Dividends paid	17	**-**	**-**	**-**	**(47,127)**	**(47,127)**
At 31 March 2023		**79,338**	**43,162**	**43,971**	**801,875**	**968,346**

Group

For the year ended 31 March 2022	Notes	Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
At 31 March 2021		79,338	43,162	43,971	1,159,962	1,326,433
Total comprehensive income		-	-	-	281,687	281,687
Dividends paid	17	-	-	-	(45,381)	(45,381)
At 31 March 2022		79,338	43,162	43,971	1,396,268	1,562,739

Company

For the year ended 31 March 2022	Notes	Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
At 31 March 2021		79,338	43,162	43,971	1,159,962	1,326,433
Total comprehensive income		-	-	-	281,687	281,687
Dividends paid	17	-	-	-	(45,381)	(45,381)
At 31 March 2022		79,338	43,162	43,971	1,396,268	1,562,739

The notes from pages 80 to 104 form part of these Financial Statements

Group and company balance sheets

	Notes	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Non-current assets					
Investments held at fair value	10	**948,672**	**948,672**	1,506,436	1,506,436
Investments in subsidiaries	10	**-**	**36,292**	-	36,297
Investments held for sale	10	**-**	**-**	48,980	48,980
		948,672	**984,964**	1,555,416	1,591,713
Deferred taxation asset	12	**903**	**903**	903	903
		949,575	**985,867**	1,556,319	1,592,616
Current assets					
Debtors	12	**65,287**	**65,293**	97,673	97,208
Cash and cash equivalents		**36,071**	**36,069**	32,109	32,107
		101,358	**101,362**	129,782	129,315
Current liabilities	13	**(23,654)**	**(59,950)**	(66,109)	(101,939)
Net current assets		**77,704**	**41,412**	63,673	27,376
Total assets plus net current assets/(liabilities)		**1,027,279**	**1,027,279**	1,619,992	1,619,992
Non-current liabilities	13	**(58,933)**	**(58,933)**	(57,253)	(57,253)
Net assets		**968,346**	**968,346**	1,562,739	1,562,739
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	**801,875**	**801,875**	1,396,268	1,396,268
Equity shareholders' funds		**968,346**	**968,346**	1,562,739	1,562,739
Net Asset Value per:					
Ordinary share	19	**305.13p**	**305.13p**	492.43p	492.43p

These financial statements were approved by the directors of TR Property Investment Trust plc (Company No 84492) and authorised for issue on 1 June 2023

D Watson

D Watson
Director

The notes from pages 80 to 104 form part of these Financial Statements

Group and Company cash flow statements

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Reconciliation of profit from operations before tax to net cash outflow from operating activities				
(Loss)/profit from operations before tax	**(543,674)**	**(543,674)**	283,605	283,605
Finance costs	**4,584**	**4,584**	2,515	2,515
Losses/(gains) on investments and derivatives held at fair value through profit or loss	**594,986**	**594,990**	(265,399)	(258,387)
Net movement on foreign exchange; cash and cash equivalents and loan notes	**(336)**	**(336)**	(977)	(977)
Scrip dividends included in investment income and net returns on contracts for difference	**(6,325)**	**(6,325)**	(10,839)	(10,839)
Sale of investments	**448,587**	**448,587**	544,370	544,370
Purchase of investments	**(427,509)**	**(427,509)**	(430,830)	(430,831)
(Increase)/decrease in prepayments and accrued income	**(978)**	**(978)**	8	8
Decrease/(increase) in sales settlement debtor	**30,399**	**30,399**	(32,871)	(32,871)
Increase in purchase settlement creditor	**3,172**	**3,172**	5,170	5,170
Decrease in other debtors	**1,419**	**1,413**	2,951	2,951
(Decrease)/increase in other creditors	**(22,265)**	**(21,797)**	13,809	6,798
Net cashflow from operating activities before interest and taxation	**82,060**	**82,526**	111,512	111,512
Interest paid	**(4,584)**	**(4,584)**	(2,515)	(2,515)
Taxation paid	**(3,403)**	**(3,869)**	(1,258)	(1,258)
Net cashflow from operating activities	**74,073**	**74,073**	107,739	107,739
Financing activities				
Equity dividends paid	**(47,127)**	**(47,127)**	(45,381)	(45,381)
Repayment of loans	**(25,000)**	**(25,000)**	(60,000)	(60,000)
Net cashflow from financing activities	**(72,127)**	**(72,127)**	(105,381)	(105,381)
Increase in cash	**1,946**	**1,946**	2,358	2,358
Cash and cash equivalents at start of year	**32,109**	**32,107**	29,114	29,112
Net movement on foreign exchange; cash and cash equivalents	**2,016**	**2,016**	637	637
Cash and cash equivalents at end of year	**36,071**	**36,069**	32,109	32,107

The notes from pages 80 to 104 form part of these Financial Statements.

Notes to the financial statements

01 *Accounting policies*

The financial statements for the year ended 31 March 2023 have been prepared on a going concern basis, in accordance with UK-adopted international accounting standards 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, "Financial Statements of* Investment Trust Companies and Venture Capital Trusts," ("SORP"), to the extent that it is consistent with UK adopted international accounting standards.

In assessing Going Concern the Board has made a detailed assessment of the ability of the Company and the Group to meet its liabilities as they fall due, including stress and liquidity tests which considered the effects of substantial falls in investment valuations, revenues received and market liquidity as the global economy continues to suffer disruption due to inflationary pressures, the war in Ukraine and the after-effects of the COVID-19 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, and the net current asset position of the Group and Parent Company, 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.

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 2023. 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 funds 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.

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 for difference is set out in section (g) of this note.

01 Accounting policies

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 as independent valuation specialists to determine fair value as at 31 March 2023.

Notes to the financial statements
continued

01 Accounting policies

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 2023, 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).*

Held for sale investment are presented separately on the face of the Balance Sheet.

Held for sale

Investment property classified as held for sale is measured fair value.

This condition is regarded as met only when the investment property is available for immediate sale in its present condition and the sale is highly probable.

Management must be committed to a plan for sale with an active programme to identify a buyer at a reasonable price in relation to its fair value which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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 contracts for difference (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.

01 Accounting policies

Derivatives continued

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 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

There were no amendments to International Financial Reporting Standards or Interpretations that had an effect during the period.

Early adoption of standards and interpretations

The standards issued before the reporting date that become effective after 31 March 2023 are not expected to have a material effect on equity or profit for the subsequent period The Group has not early adopted any new 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.

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

IAS 12 Amendments - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023) The amendments require entities with certain assets to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences

IAS 1 Amendments - Non-current Liabilities with Covenants (effective 1 January 2024) The amendments require disclosure of information when there is a right to defer settlement of a liability for at least twelve months

02 Investment income

	2023 £'000	2022 £'000
Dividends from UK listed investments	**3,084**	3,101
Dividends from overseas listed investments	**30,891**	21,349
Scrip dividends from listed investments	**6,325**	10,693
Property income distributions	**11,777**	9,027
	52,077	44,170

03 Net rental income

	2023 £'000	2022 £'000
Gross rental income	**3,513**	2,773
Service charge income	**946**	1,103
Direct property expenses, rent payable and service charge costs	***(1,660)***	*(1,435)*
	2,799	2,441

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:

	2023 £'000	2022 £'000
Within 1 year	**2,900**	2,800
After 1 year but not more than 5 years	**9,900**	10,250
More than 5 years	**14,150**	17,500
	26,950	30,550

04 Other operating income

	2023 £'000	2022 £'000
Interest receivable	**255**	-
Interest on refund of overseas withholding tax	**-**	5
Income received to capital	**12**	-
	267	5

05 Management and performance fees

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Management fee	**1,560**	**4,680**	**6,240**	1,663	4,988	6,651
Performance fee	**-**	**-**	**-**	-	24,489	24,489
	1,560	**4,680**	**6,240**	1,663	29,477	31,140

A summary of the terms of the management agreement is given in the Report of the Directors on page 47

Under the terms of this agreement the manager is not entitled to a performance fee for the year to 31 March 2023.

06 Other administrative expenses

	2023 £'000	2022 £'000
Directors' fees (Directors' Remuneration Report on pages 63 to 65)	**228**	220
Auditor's remuneration:		
– for audit of the consolidated and parent company financial statements	**97**	82
Legal fees	**1**	21
Taxation fees	**90**	77
Other administrative expenses	**187**	199
Other expenses	**532**	869
Irrecoverable VAT	**28**	153
Expenses charged to Revenue	**1,163**	1,621
Expenses charged to Capital	**542**	608
	1,705	2,229

Other administrative expenses include depositary, custody and company secretarial services. These expenses are charged on the same basis as the base management fee, 25% to income and 75% to capital Total other administrative expenses charged to both income and capital are £721,000 (2022: £807,000)

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

07 Finance costs

	2023 £'000	2022 £'000
Loan notes, bank loans and overdrafts repayable within 1 year	**3,189**	1,162
Loan notes repayable between 2 - 5 years	**837**	814
Loan notes repayable after 5 years	**558**	539
	4,584	2,515
Amount allocated to Capital	**(3,438)**	(1,886)
Amount allocated to Revenue	**1,146**	629

08 Taxation

a) Analysis of charge in the year

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
UK corporation tax at 19% (2022: 19%)	**4,221**	**(3,521)**	**700**	2,832	(2,832)	-
Overseas taxation	**2,148**	**1,026**	**3,174**	2,135	-	2,135
	6,369	**(2,495)**	**3,874**	4,967	(2,832)	2,135
Over provision in respect of prior years	**(282)**	**-**	**(282)**	-	-	-
	6,087	**(2,495)**	**3,592**	4,967	(2,832)	2,135
Deferred taxation	**-**	**-**	**-**	-	(217)	(217)
Current tax charge for the year	**6,087**	**(2,495)**	**3,592**	4,967	(3,049)	1,918

08 Taxation

b) Factors affecting total tax charge for the year

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK for a large company of 19% (2022: 19%).

The difference is explained below:

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Net profit/(loss) on ordinary activities before taxation	60,724	(604,398)	(543,674)	48,404	235,201	283,605
Corporation tax charge at 19% (2022:19%)	11,538	(114,836)	(103,298)	9,197	44,688	53,885
Effects of:						
Non taxable losses/(gains) on investments	-	104,392	104,392	-	(47,317)	(47,317)
Currency movements not taxable	-	145	145	-	(337)	(337)
Tax relief on expenses charged to capital	-	(1,878)	(1,878)	-	3,243	3,243
Non-taxable returns	-	8,656	8,656	-	(3,109)	(3,109)
Non-taxable UK dividends	(586)	-	(586)	(603)	-	(603)
Non-taxable overseas dividends	(6,791)	-	(6,791)	(5,810)	-	(5,810)
Overseas withholding taxes	2,148	1,026	3,174	2,135	-	2,135
Deferred tax movement	-	-	-	-	(217)	(217)
Over provision in respect of prior years	(282)	-	(282)	-	-	-
Disallowable expenses	131	-	131	26	-	26
Deferred tax not provided	(71)	-	(71)	22	-	22
	6,087	(2,495)	3,592	4,967	(3,049)	1,918

c) Provision for deferred taxation

The amounts for deferred taxation provided at 25% (2022: 25%) comprise

Group

	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Unutilised losses carried forward	-	(903)	(903)	-	(903)	(903)
Shown as:						
Deferred tax asset	-	(903)	(903)	-	(903)	(903)

Company	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Unutilised losses carried forward	-	(903)	(903)	-	(903)	(903)
Shown as:						
Deferred tax asset	-	(903)	(903)	-	(903)	(903)

08 Taxation

c) **Provision for deferred taxation** continued

The movement in provision in the year is as follows:

Group	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Provision at the start of the year	-	**(903)**	**(903)**	-	(686)	(686)
Unutilised losses carried forward	-	-	-	-	(217)	(217)
Provision at the end of the year	-	**(903)**	**(903)**	-	(903)	(903)

Company	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Provision at the start of the year	-	**(903)**	**(903)**	-	(686)	(686)
Unutilised losses carried forward	-	-	-	-	(217)	(217)
Provision at the end of the year	-	**(903)**	**(903)**	-	(903)	(903)

The Group has not recognised deferred tax assets of £5,601,017 (2022 £8,007,769) 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 company 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.

09 Earnings/(loss) per Ordinary share

Earnings/(loss) per Ordinary share

The earnings per Ordinary share can be analysed between revenue and capital, as below

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Net revenue profit	**54,637**	43,437
Net capital profit	**(601,903)**	238,250
Net total profit	**(547,266)**	281,687
Weighted average number of shares in issue during the year	**317,350,980**	317,350,980

	pence	pence
Revenue earnings per share	**17.22**	13.69
Capital earnings per share	**(189.67)**	75.07
Earnings per share	**(172.45)**	88.76

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

10 Investments held at fair value

a) Analysis of investments

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Listed in the United Kingdom	**383,303**	**383,303**	516,076	516,076
Unlisted in the United Kingdom	**2,573**	**2,573**	2,341	2,341
Listed Overseas	**488,839**	**488,839**	940,744	940,744
Investment properties	**73,957**	**73,957**	47,275	47,275
Investments held for sale	**-**	**-**	48,980	48,980
Investments held at fair value	**948,672**	**948,672**	1,555,416	1,555,416
Investments in subsidiaries at fair value	**-**	**36,292**	-	36,297
	948,672	**984,964**	1,555,416	1,591,713

Investments held for sale mixed use property, the Colonnades, London, W2, was under offer at 31 March 2022 with a *sale expected to complete by the end of June 2022. Ultimately, the residential element of the Colonnades was sold and a* decision was made to retain the commercial element for the foreseeable future. There are no investments held for sale as at 31 March 2023.

b) Business segment reporting

	Valuation 31 March 2022 £'000	Net additions/ (disposals) £'000	Net appreciation/ (depreciation) £'000	Valuation 31 March 2023 £'000	Gross revenue 31 March 2023 £'000	Gross revenue 31 March 2022 £'000
Listed investments	1,456,820	(52,591)	(532,087)	**872,142**	**51,450**	43,775
Unlisted investments	2,341	-	232	**2,573**	**627**	395
Contracts for difference	7,657	42,561	(45,556)	**4,662**	**9,462**	5,701
Total investments segment	1,466,818	(10,030)	(577,411)	**879,377**	**61,539**	49,871
Direct property segment	96,255	(4,723)	(17,575)	**73,957**	**4,459**	3,876
	1,563,073	(14,753)	(594,986)	**953,334**	**65,998**	53,747

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 £1,660,000 (2022: £1,435,000) and deducting these costs from the direct property gross revenue above would result in net income of £2,799,000 (2022: £2,441,000) for the direct property reporting segment.

10 Investments held at fair value

c) Geographical segment reporting

	Valuation 31 March 2022 £'000	Net additions/ (disposals) £'000	Net appreciation/ (depreciation) £'000	**Valuation 31 March 2023 £'000**	**Gross revenue 31 March 2023 £'000**	Gross revenue 31 March 2022 £'000
UK listed equities and convertibles	516,076	46,391	(179,164)	**383,303**	**15,941**	11,731
UK unlisted equities	2,341	-	232	**2,573**	**395**	395
UK direct property[1]	96,255	(4,723)	(17,575)	**73,957**	**4,459**	3,876
Continental European listed equities	940,744	(98,982)	(352,923)	**488,839**	**35,741**	32,044
	1,555,416	(57,314)	(549,430)	**948,672**	**56,536**	48,046
UK contracts for difference[2]	1,627	31,268	(33,831)	**(936)**	**3,425**	1,616
European contracts for difference[2]	6,030	11,293	(11,725)	**5,598**	**6,037**	4,085
	1,563,073	(14,753)	(594,986)	**953,334**	**65,998**	53,747

Included in the above figures are purchase costs of £981,000 (2022: £489,000) and sales costs of £236,000 (2022: £259,000).

These comprise mainly stamp duty and commission.

The Company received £512,155,000 (2022: £544,092,000) from investments, including direct property, sold in the year. The book cost of these investments when they were purchased was £412,279,000 (2022: £356,438,000). 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 £480,000 (2022: £366,000) 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 6 companies (2022: 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 103 and 104 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

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

At 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	1,456,820	-	2,341	1,459,161
Investment properties	-	-	96,255	96,255
Contracts for difference	-	7,657	-	7,657
Foreign exchange forward contracts	-	2,736	-	2,736
	1,456,820	10,393	98,596	1,565,809

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 2023 was £36,292,000 (2022: £36,297,000). These have been categorised as level 3 in both years. The movement in the year of £5,000 (2022: £7,015,000) is the change in fair value in the year. The total financial assets at fair value for the Company at 31 March 2023 was £984,964,000 (2022: £1,591,713,000).

Reconciliation of movements in financial assets categorised as level 3

At 31 March 2023	31 March 2022 £'000	Purchases £'000	Sales £'000	Appreciation / (Depreciation) £'000	31 March 2023 £'000
Unlisted equity investments	2,341	-	-	232	**2,573**
Investment properties					
– Mixed use	48,187	387	(5,203)	(6,746)	**36,625**
– Office & Industrial	48,068	93	-	(10,829)	**37,332**
	96,255	480	(5,203)	(17,575)	**73,957**
	98,596	480	(5,203)	(17,343)	**76,530**

All appreciation/(depreciation) as stated above relates to movements in fair value of unlisted equity investments and investment properties held at 31 March 2023.

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

Sensitivity information for Investment Property Valuations

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

- Estimated rental value £7.5 - £65 per sq ft (2022 £6.5- £65)
- Capitalisation rates 3.0% - 6.0% (2022 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 2023 arising from	Retail £'000	Industrial £'000	Other £'000	Total £'000
Increase in rental value 5.0%	**289**	**1,712**	**-**	**2,001**
Decrease in rental value 5.0%	**(289)**	**(1,712)**	**-**	**(2,001)**
Increase in Yield 0.5%	**(3,538)**	**(3,466)**	**-**	**(7,004)**
Decrease in Yield 0.5%	**4,343**	**4,261**	**-**	**8,604**

Estimated movement in fair value of investment properties at 31 March 2022 arising from	Retail £'000	Office & Industrial £'000	Other £'000	Total £'000
Increase in rental value by 5%	306	2,266	145	2,717
Decrease in rental value by 5%	(294)	(2,266)	(1)	(2,561)
Increase in yield by 0.5%	(3,865)	(6,343)	(832)	(11,040)
Decrease in yield by 0.5%	4,841	8,711	1,101	14,653

No impairment losses have been recognised as at 31 March 2023

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 Objective set out on page 33. 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 pages 37 to 40 and have been applied throughout the year.

11 Financial instruments

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

	2023 £'000	2022 £'000
Investments held at fair value	**948,672**	1,555,416
CFD long gross exposure	**130,906**	144,642

Concentration of exposure to price risks

As set out in the Investment Policies on page 34, 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

	2023 Increase in fair value £'000	2023 Decrease in fair value £'000	2022 Increase in fair value £'000	2022 Decrease in fair value £'000
Statement of Comprehensive Income – profit after tax				
Revenue return	**(71)**	**71**	(115)	115
Capital return	**142,826**	**(142,826)**	234,176	(234,176)
Change to the profit after tax for the year/shareholders' funds	**142,755**	**(142,755)**	234,061	(234,061)
Change to total earnings per Ordinary Share	**44.98p**	**(44.98)p**	73.75p	(73.75)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

Foreign currency exposure

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

Currency	2023	2022
Sterling	**34.0%**	34.0%
Euro	**42.0%**	42.0%
Swedish Krona	**14.0%**	16.0%
Other	**10.0%**	8.0%

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:

2023	Sterling £'000	Euro £'000	Swedish Krona £'000	Other £'000
Receivables (due from brokers, dividends and other income receivable)	**10,534**	**51,105**	**2,811**	**837**
Cash at bank and on deposit	**8,226**	***20,620***	**4,299**	**2,926**
Bank loans, loan notes and overdrafts	**(10,000)**	**-**	**-**	**-**
Payables (due to brokers, accruals and other creditors)	**(10,573)**	**(1,221)**	**(1,474)**	**-**
FX forwards	**(118,592)**	**52,283**	**39,628**	**26,295**
Total foreign currency exposure on net monetary items	**(120,405)**	**122,787**	**45,264**	**30,058**
Investments held at fair value	**459,832**	**330,586**	**88,592**	**69,662**
Non-current assets	**903**	**-**	**-**	**-**
Non-current liabilities	**(15,000)**	**(43,933)**	**-**	**-**
Total currency exposure	**325,330**	**409,440**	**133,856**	**99,720**

2022	Sterling £'000	Euro £'000	Swedish Krona £'000	Other £'000
Receivables (due from brokers, dividends and other income receivable)	53,912	27,758	12,659	608
Cash at bank and on deposit	20,341	3,247	2,883	5,638
Bank loans, loan notes and overdrafts	(35,000)	-	-	-
Payables (due to brokers, accruals and other creditors)	(25,642)	(111)	(1,634)	(3,722)
FX forwards	(88,280)	(10,996)	59,877	42,135
Total foreign currency exposure on net monetary items	(74,669)	19,898	73,785	44,659
Investments held at fair value	614,672	680,755	181,455	78,534
Non-current assets	903	-	-	-
Non-current liabilities	(15,000)	(42,253)	-	-
Total currency exposure	525,906	658,400	255,240	123,193

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% (2022: 15%).
- sterling/Swedish Krona +/- 15% (2022: 15%).
- sterling/other +/- 15% (2022: 15%).

11 Financial instruments

Foreign currency sensitivity continued

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

	Year ended March 2023			Year ended March 2022		
	Euro £'000	Swedish Krona £'000	Other £'000	Euro £'000	Swedish Krona £'000	Other £'000
Statement of Comprehensive Income – profit after tax						
Revenue return	**(4,080)**	**(354)**	**(370)**	(3,215)	(399)	(252)
Capital return	**(53,496)**	**(17,442)**	**(12,993)**	(72,110)	(33,256)	(16,053)
Change to the profit after tax for the year/shareholders' funds	**(57,576)**	**(17,796)**	**(13,363)**	(75,325)	(33,655)	(16,305)

	2023	2022
Change to total earnings per share	**(27.96)p**	(39.48)p

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

	Year ended March 2023			Year ended March 2022		
	Euro £'000	Swedish Krona £'000	Other £'000	Euro £'000	Swedish Krona £'000	Other £'000
Statement of Comprehensive Income – profit after tax						
Revenue return	**5,392**	**446**	**475**	4,419	475	314
Capital return	**72,392**	**23,608**	**17,586**	136,656	45,017	4,771
Change to the profit after tax for the year/shareholders' funds	**77,784**	**24,054**	**18,061**	141,075	45,492	5,085

	2023	2022
Change to total earnings per share	**37.78p**	60.39p

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. The unused facilities total £120,000,000 (2022 £95,000,000)

11 Financial instruments

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 £81,170,000 (2022: £77,242,000).

The Group's exposure to fixed interest rates on liabilities is £58,933,000 (2022: £57,253,000).

The Group's exposure to floating interest rates on liabilities is £10,000,000 (2022: £35,000,000).

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 SONIA or its foreign currency equivalent (2022: same).
- Interest paid on borrowings under the multi-currency loan facilities, is at a margin over SONIA or its foreign currency equivalent for the type of loan (2022: 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:

	2023 2% Increase £'000	**2023 2% Decrease £'000**	2022 2% Increase £'000	2022 2% Decrease £'000
Change to shareholders' funds	**(198)**	**198**	(243)	243
Change to total earnings per share	**(0.06)p**	**0.06p**	(0.08)p	0.08p

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

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 2023, 8% (2022: 6%) of the Group's investment portfolio was held in direct property investments.

At 31 March 2023, 92% (2022: 94%) 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

Debt and Financing maturity profile

At 31 March 2023	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*	**10,000**	-	-	-	-	-	**10,000**
Loan notes	-	-	**43,933**	-	-	**15,000**	**58,933**
Projected interest cash flows on bank and loan notes	**1,382**	**1,382**	**1,241**	**539**	**539**	**1,585**	**6,668**
Securities and properties purchased for future settlement	**8,536**	-	-	-	-	-	**8,536**
Accruals and deferred income	**2,953**	-	-	-	-	-	**2,953**
Other creditors	**141**	-	-	-	-	-	**141**
	23,012	**1,382**	**45,174**	**539**	**539**	**16,585**	**87,231**

At 31 March 2022	Within 1 year £'000	Within 1-2 year £'000	Within 2-3 year £'000	Within 3-4 year £'000	Within 4-5 year £'000	More than 5 year £'000	Total £'000
Bank loans	35,000	-	-	-	-	-	35,000
Loan notes	-	-	-	42,253	-	15,000	57,253
Projected interest cash flows on bank and loan notes	1,350	1,350	1,350	1,241	539	2,124	7,954
Securities and properties purchased for future settlement	5,364	-	-	-	-	-	5,364
Accruals and deferred income	25,523	-	-	-	-	-	25,523
Other creditors	222	-	-	-	-	-	222
	67,459	1,350	1,350	43,494	539	17,124	131,316

* A £60m multicurrency facility with RBS was renewed for one year in February 2023. £10m (2022: £35m) was drawn on this facility at the balance sheet date.

* A £30m one year facility with ING Luxembourg was renewed in July 2022. £nil (2022: £nil) was drawn on this facility at the balance sheet date.

* A £40m facility with CBC was renewed in November 2022. £nil (2022: £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 34. 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 new opportunities for the provision of debt are explored 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 £56,326,000 (2022: £50,101,000).

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.

11 Financial instruments

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

	2023 Balance Sheet £'000	2023 Maximum exposure £'000	2022 Balance Sheet £'000	2022 Maximum exposure £'000
Debtors	**65,287**	**65,287**	97,673	97,673
Cash and cash equivalents	**36,071**	**36,071**	32,109	32,109
	101,358	**101,358**	129,782	129,782

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 2023 (31 March 2022: no impairment).

Offsetting disclosures

In order to define its contractual rights better 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 2023 and 2022, the Group's derivative assets and liabilities (by type and counterparty) were as follows:

	Year ended 2023		Year ended 2022	
	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	**4,662**	**65,117**	7,657	45,133
	4,662	**65,117**	7,657	45,133
FX forward contracts				
HSBC	**(386)**	**-**	2,736	-
	(386)	**-**	2,736	-

11 Financial instruments

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 £2,573,000 (2022: Atrato, £2,341,000).

In the Parent Company accounts there are investments of £36,336,000 (2022: £36,297,000) 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 loss of £594,986,000 (2022: £265,399,000 gain).

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 2023 consisted of called up share capital, share premium, capital redemption and revenue reserves totalling £968,346,000 (2022: £1,562,739,000). 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 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Amounts falling due within one year:				
Securities and properties sold for future settlement	**2,739**	**2,739**	33,138	33,138
Foreign exchange forward contracts for settlement	**-**	**-**	2,736	2,736
Tax recoverable	**3,857**	**3,857**	3,344	2,879
Prepayments and accrued income[1]	**6,146**	**6,146**	5,168	5,168
Amounts receivable in respect of Contracts for Difference	**5,598**	**5,598**	7,657	7,657
CFD margin cash	**45,099**	**45,099**	45,133	45,133
Other debtors	**1,848**	**1,854**	497	497
	65,287	**65,293**	97,673	97,208
Non-current assets				
Deferred taxation asset	**903**	**903**	903	903

[1] Includes amounts in respect of rent free periods

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13 Current and non-current liabilities

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Amounts falling due within one year:				
Bank loans and overdrafts	**10,000**	**10,000**	35,000	35,000
Securities and properties purchased for future settlement	**8,536**	**8,536**	5,364	5,364
Amounts due to subsidiaries	**-**	**36,336**	-	35,869
Amounts payable in respect of Contracts for Difference	**936**	**936**	-	-
Tax payable	**702**	**700**	-	-
Accruals and deferred income	**2,953**	**2,925**	25,523	25,523
Foreign exchange forward contracts for settlement	**386**	**386**	-	-
Other creditors	**141**	**131**	222	183
	23,654	**59,950**	66,109	101,939
Non-current liabilities:				
1.92% Euro Loan Notes 2026	**43,933**	**43,933**	42,253	42,253
3.59% GBP Loan Notes 2031	**15,000**	**15,000**	15,000	15,000
	58,933	**58,933**	57,253	57,253

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 £43,979,000 (2022: £42,340,000) and the 3.59% GBP Loan Notes was £14,338,000 (2022: £14,879,000) at 31 March 2023.

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 (2022: £130,000,000) at 31 March 2023. At 31 March 2023 £10,000,000 was drawn on these facilities (2022: £35,000,000).

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

13 Current and non-current liabilities

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 2022	57,253	35,000	92,253
Cash flows:			
Repayment of bank loans	-	(25,000)	(25,000)
Non cash-flows:			
Movement on foreign exchange	1,680	-	1,680
Closing liabilities from financing activities at 31 March 2023	58,933	10,000	68,933

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 2022	317,350,980	79,338
At 31 March 2023	317,350,980	79,338

The voting rights are disclosed in the Report of the Directors on page 49

During the year, the Company made no market purchases for cancellation of Ordinary shares of 25p each (2022 none)

Since 31 March 2023 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 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Investment holding (losses) / gains	(99,771)	(81,449)	412,934	431,260
Realised capital reserves	828,859	802,597	918,057	891,806
Total capital reserves	729,088	721,148	1,330,991	1,323,066
Revenue reserve	72,787	80,727	65,277	73,202
Total retained earnings	801,875	801,875	1,396,268	1,396,268

The realised capital reserves are distributable by way of a dividend to shareholders or utilised for the repurchase of share capital, net of any unrealised losses on investments held. The revenue reserve represents accumulated revenue profits from which annual dividends are paid

Notes to the financial statements
continued

17 Dividends

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2022 of 9.20p (2021: 9.00p) per share	**29,196**	28,562
Interim dividend for the year ended 31 March 2023 of 5.65p (2022: 5.30p) per share	**17,931**	16,819
	47,127	45,381

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Amounts not recognised as distributions to equity holders in the year:		
Proposed final dividend for the year ended 31 March 2023 of 9.85p (2022: 9.20p) per share	**31,259**	29,196

The final dividend has not been included as a liability in these financial statements in accordance with IAS 10 'Events after the reporting period'.

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 2023 £'000	Year ended 31 March 2022 £'000
Interim dividend for the year ended 31 March 2023 of 5.65p (2022: 5.30p) per share	**17,931**	16,819
Proposed final dividend for the year ended 31 March 2023 of 9.85p (2022: 9.20p) per share	**31,259**	29,196
	49,190	46,015

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 loss after taxation of the Company dealt with in the accounts of the Group was £547,266,000 (2022: £281,687,000 profit).

19 Net asset value per ordinary share

Net asset value per Ordinary share is based on the net assets attributable to Ordinary shares of £968,346,000 (2022: £1,562,739,000) and on 317,350,980 (2022: 317,350,980) Ordinary shares in issue at the year end.

20 Commitments and contingent liabilities

At 31 March 2023 the Group had capital commitments of £30,000 (2022: £74,000) but no contingent liabilities (2022: 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 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	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

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 Exchange House, Primrose Street, London, EC2A 2NY 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

	2023 £'000	2022 £'000
The Colonnades Limited	**23,101**	22,619
TR Property Finance Limited	**13,255**	13,270
New England Properties Limited	**(20)**	(20)
	36,336	35,869

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 pages 63 and 65

Directors' transactions

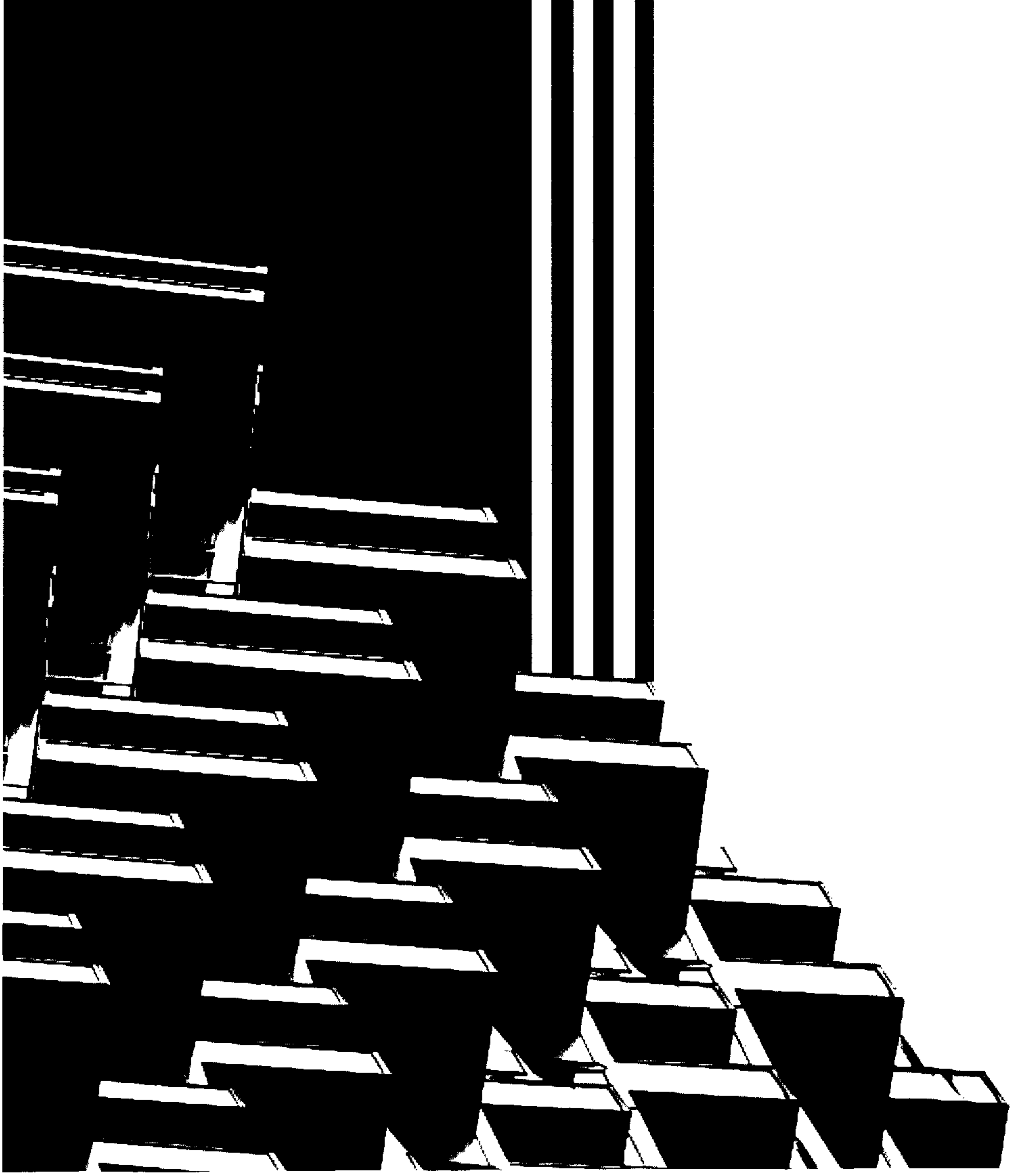
Directors' transactions in the Company's shares are considered to be a related party transaction due to the nature of their role as Directors

Movements in Directors' shareholdings are disclosed within the Directors' Remuneration Report on page 65

23 Subsequent events

There are no events that have occurred subsequent to the financial year end to report

Glossary and AIFMD disclosure



Glossary and AIFMD disclosure

1.0 Alternative Performance Measures

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

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

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.

Year to 31 March 2023	NAV	Share Price
NAV/share price per share at 31 March 2022 (pence)	492.43	456.5
NAV/share price per share at 31 March 2023 (pence)	305.13	279.0
Change in year	(38.0%)	(38.9%)
Impact of dividends reinvested	2.5%	2.6%
Total Return for the year	(35.5%)	(36.3%)

Year to 31 March 2022	NAV	Share Price
NAV/share price per share at 31 March 2021 (pence)	417.97	392.50
NAV/share price per share at 31 March 2022 (pence)	492.43	456.50
Change in year	17.8%	16.3%
Impact of dividends reinvested	3.6%	3.6%
Total Return for the year	21.4%	19.9%

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.

Year to 31 March 2023	Including Performance Fees £'000	Excluding Performance Fees £'000	Excluding Performance Fees & Direct Property Costs £'000
Management Fee (note 5)	6,240	6,240	6,240
Other Administrative expenses (note 6)	1,705	1,705	1,705
Property Costs	714	714	
Less: Non recurring expenses			
	8,659	8,659	7,945
Average Net Assets	1,184,462	1,184,462	1,184,462
Ongoing Charge 2023	0.73%	0.73%	0.67%

Year to 31 March 2022	Including Performance Fees £'000	Including Performance Fees £'000	Excluding Performance Fees & Direct Property Costs £'000
Management Fee (note 5)	31,140	6,651	6,651
Other Administrative expenses (note 6)	2,220	2,220	2,220
Property Costs	332	332	
Less: Non recurring expenses			
	33,692	9,203	8,871
Average Net Assets	1,536,825	1,536,825	1,536,825
Ongoing Charge 2022	2.19%	0.60%	0.58%

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 2023 £'000	Group 2022 £'000
Loan notes	58,933	57,253
Loans	10,000	35,000
CFD positions (notional exposure)	130,906	144,642
Less: Cash	(36,071)	(32,109)
Less: Cash collateral (included within 'Other debtors' in Note 12)	(45,099)	(45,133)
	118,669	159,653
Equity shareholders' funds	968,346	1,562,739
Net gearing	12.3%	10.2%

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 Company's objective against a number of Key Performance Indicators, which are considered to be Alternative Performance Measures. Details of these calculations are set out above.

Compound Annual Dividend Growth

This is calculated by taking 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.

5 year period.

$$\left(\frac{a}{b}\right)^{\frac{1}{c}} \Rightarrow \left(\frac{15.50p}{12.20p}\right)^{\frac{1}{5}} = 4.9\%$$

Premium/(Discount)

The amount by which the market price of a share of an investment trust company is higher or lower than the Net Asset Value per share expressed as a percentage of the NAV per share. If the share price is lower than the NAV per share, the shares are trading at a discount and if the share price is higher than the NAV per share the shares are trading at a premium.

		2023 pence	2022 pence
Net Asset Value per share	(a)	305.13	492.43
Share price per share	(b)	279.00	456.50
Premium or (Discount) (c= (b-a)/a	(c)	(8.6%)	(7.3%)

An average premium or discount is calculated by taking the sum of each daily premium and discount for the period under review, divided by the number of days in the given period.

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 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.

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 Company's KPIs are discussed on pages 35 and 36.

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, Columbia Threadneedle 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 Columbia Threadneedle website or from Columbia Threadneedle 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 2023.

Leverage exposure	Gross method	Commitment method
Maximum permitted limit	200%	200%
Actual	138%	130%

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 AGM

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.

Notice is hereby given that the Annual General Meeting of TR Property Investment Trust plc (the 'Company') will be held at *the Royal Automobile Club, 89/91 Pall Mall*, London SW1Y 5HS on Thursday 20 July 2023 at 2.30 pm for the purpose of transacting the following business.

To consider and, if thought fit, pass the following Resolutions, of which Resolutions 1 to 12 will be proposed as Ordinary Resolutions and Resolutions 13 and 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 2023.
2. To approve the Directors' Remuneration Policy.
3. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 31 March 2023.
4. *To declare a final dividend of 9.85p per Ordinary share.*
5. To re-elect Kate Bolsover as a Director.
6. *To re-elect Sarah-Jane Curtis as a Director.*
7. To re-elect Tim Gilbanks as a Director.
8. To re-elect Busola Sodeinde as a Director.
9. To re-elect Andrew Vaughan as a Director.
10. To re-appoint KPMG LLP (the Auditor) as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting of the Company.
11. To authorise the Directors to determine the *remuneration of the Auditor.*

Special business

Ordinary resolution

12. 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 conclusion of the *Annual General Meeting of the Company in 2024* (or, if earlier, at the close of business on 19 October 2024), 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

13. THAT, in substitution for all such existing authorities and subject to the passing of Resolution 12 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 12 above and/or to sell shares held by the *Company as treasury shares for cash as if Section* 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited:

    (a) to 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:

    (i) to shareholders in proportion (as nearly *as may be practicable) to their existing* holdings; and

    (ii) 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

(b) in the case of the authority granted under Resolution 12 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),

the power given by this resolution shall expire upon the expiry of the authority conferred by Resolution 12 above, save that the Company shall be entitled to make offers or agreements before 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

14 THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make one or more 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 30 May 2023, 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, and

(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,

the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2024 (or, if earlier, at the close of business on 19 October 2024), 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.

J Latter

By Order of the Board
For and on behalf of
Columbia Threadneedle
Investment Business Limited
Company Secretary
12 June 2023

Registered Office
Company registered in England and Wales
Company number: 84492
13 Woodstock Street
London W1C 2AG

Notes

Shareholders intending to attend the AGM are asked to *register their intention as soon as practicable by email* to the following dedicated address: trpitagm@columbiathreadneedle.com.

Shareholders who are not able or do not wish to attend the meeting in person 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 to vote. However, shareholders will be invited to submit questions through our website by 12.00 noon on Tuesday 18 July 2023. Questions may be sent to the following email address: trpitagm@columbiathreadneedle.com. Questions of a very similar nature may be grouped together to ensure the orderly running of the AGM.

1 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 submit their proxy vote in advance of the meeting and 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 of Members in respect of the joint holding (the first named being deemed the most senior).

2 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 Company's Register of Members by 2.30 pm on 18 July 2023 (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.

3 Shareholders should note that it is possible that, pursuant to requests made by shareholders of the Company under Section 527 of the Act, 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 Act. 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 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, 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 Act to publish on a website.

4 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.

5 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 Act ('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.

6 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 20 July 2023 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 Unacceptable behaviour on the part of any shareholder attending the AGM will not be tolerated and the Chairman has the right to deal with such behaviour as appropriate.

9 Under section 338 and section 338A of the Act, members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) *(in the case of a resolution only)* it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the company not later than six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

10 As at 30 May 2023 (being the latest practicable day prior to publication of this Notice), the issued share capital of the Company was 317,350,980 Ordinary shares of 25p each and no ordinary shares were held in treasury. Therefore, the total number of voting rights in the Company at 30 May 2023 was 317,350,980.

11 The terms of reference of the Audit Committee, the Management Engagement Committee, the Nomination Committee and the Directors' Letters of Appointment will be available for inspection for at least 15 minutes prior to and during the Company's AGM.

12 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.

13 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 www.trproperty.com/legal

Explanation of Notice of Annual General Meeting

Resolutions 1, 2, 3 and 4: Accounts, Directors' remuneration policy, Directors' remuneration report and dividend

These are the resolutions which deal with the presentation of the audited accounts, the approval of the Directors' Remuneration Policy, the approval of the Directors' Remuneration Report and the declaration of the final dividend

The vote to approve the Remuneration Policy must *be put to shareholders every three years*. 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 2023 of 9.85p per Ordinary share If approved at the AGM, the Company will pay the dividend on 1 August 2023 to those shareholders on the Company's Register of Members at the close of business on 30 June 2023

Resolutions 5 to 9: Re-election of Directors

These resolutions deal with the re-election of Kate Bolsover, Sarah-Jane Curtis, Tim Gilbanks, Busola Sodeinde and Andrew Vaughan In accordance with the UK Corporate Governance Code, all Directors retire on an annual basis and have confirmed that they will offer themselves for re-election, with the exception of David Watson who will retire at the conclusion of the AGM

A performance evaluation has been completed and the 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 44 and 45, demonstrate that the Board has the appropriate balance of skills, experience, independence and knowledge to lead the Company *Accordingly, the Board unanimously recommends* their re-election

Resolutions 10 and 11: Auditor

These deal with the reappointment of the Auditor, KPMG LLP, and the authorisation for the Directors to determine their remuneration

Resolution 12: Allotment of share capital

The 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 £26,181,445 is stated in the resolution (representing approximately one third of the Company's issued share capital as at 30 May 2023, being the latest practical date prior to publication of this Notice of the meeting) As at 30 May 2023 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 the conclusion of the Annual General Meeting of the Company to be held in 2024 and close of business on 19 October 2024.

Resolution 13: 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 30 May 2023, the latest practicable date prior to publication of this Notice If the powers sought by Resolution 13 are used in relation to a non-pre-emptive offer, the Directors confirm their intention to follow the shareholder protections in paragraph 1 of Part 2B of the Pre-emption Group's Statement of *Principles published in November 2022*

This authority will expire at the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2024 and close of business on 19 October 2024

Resolution 14: Authority to make market purchases of the Company's Ordinary shares

At the AGM held in 2022, a special resolution was passed which gave the Directors authority, until the conclusion of the AGM in 2023, to make market purchases of the Company's own issued shares up to a maximum of 14.99% of the issued share capital.

The Board is proposing that they should be given renewed authority to purchase the Company's Ordinary shares in the market. It 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. Therefore purchases would only be made at prices below Net Asset Value. The 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 Financial Conduct 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 30 May 2023, the latest practicable date prior to publication this Notice. The authority will last until the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, at the close of business on 19 October 2024.

Recommendation

The 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 own beneficial shareholdings.

Shareholder information

Directors and other information

Directors
D Watson (Chairman)
K Boisover
S-J Curtis
T Gilbanks
B Sodeirde
A Vaughan

Registered office
13 Woodstock Street
London W1C 2AG

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

AIFM and Company Secretary
Columbia Threadneedle Investment Business Limited
Exchange House
Primrose Street
London EC2A 2NY

Please contact Jonathan Latter for Company Secretarial and administrative matters

Portfolio Manager
Thames River Capital LLP, authorised and regulated by the Financial Conduct Authority
13 Woodstock Street
London W1C 2AG
Telephone: 020 3530 6375

Fund Manager
M A Phayre-Mudge MRICS

Finance Manager and Investor Relations
J L Elliott ACA

Deputy Fund Manager
A Lhonneur

Direct Property Manager
G P Gay MRICS

Registrar
Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 707 1355

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.

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

The Association of Investment Companies

General Shareholder information

Announcement 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 114 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 the European Economic Area ('EEA') 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 on 0370 707 1694. Charges 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 estimated Net Asset Value and market price of the Company's Ordinary shares, as well as the discount/premium, are published daily in The Financial Times. They can also be found on the Company's website at www.trproperty.com.

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 22 of this Annual 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

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 advisers.

Investing in TR Property Investment Trust plc

Market purchases

The Company's shares are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Holding shares in certificated form

Investors may hold their investment in certificated form. Our registrars, Computershare operate a dealing service which enables investors to buy and sell shares quickly and easily online without a broker or the need to open a trading account. Alternatively the Investor Centre allows investors to manage portfolios quickly and securely, update details and view balances without annual charges. Further details are available by contacting Computershare on 0370 707 1355 or visit www.investorcentre.co.uk

The Company 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 the Company.

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 the Company, 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 www.ii.co.uk/

Interactive investor offer investors in the Company and other investment trusts a free 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.

The Company is also on the interactive super 60 rated list.

Columbia Threadneedle Management Limited ('CT')

Columbia Threadneedle offer a number of savings plans for adults and children, from general investment accounts to a range of investment ISAs and a Child Trust Fund. Each product gives you the ability to invest in a range of investment trust companies. For more information see inside the back cover. Columbia Threadneedle can be contacted on 0800 136 420, or visit ctinvest.co.uk.

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 Columbia Threadneedle Investments.

CT Individual Savings Account

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

CT Junior Individual Savings Account (JISA)*

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

CT Lifetime Individual Savings Account (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.

CT Child Trust Fund (CTF)*

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

CT General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

CT Junior Investment Account (JIA)

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

Charges

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

Annual account charge

[illegible] £60+VAT

[illegible] £40+VAT

[illegible] £25+VAT

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

Dealing charges

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

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

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

How to invest

To open a new Columbia Threadneedle Investments plan, apply online at **ctinvest.co.uk**

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

New customers

Call 0800 136 420** [illegible]

Email: **invest@columbiathreadneedle.com**

Existing plan holders

Call: **0345 600 3030**** [illegible]

Email: investor.enquiries@columbiathreadneedle.com

By post: Columbia Threadneedle Management Limited, [illegible]

investor.enquiries@columbiathreadneedle.com

You can also invest in the Company 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**

* The CTF and JISA accounts are opened in the child's name and they have access to the money at age 18

** Calls may be recorded or monitored for training and quality purposes

To find out more, visit **ctinvest.co.uk**

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

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