For professional clients only, not suitable for retail investors.

Royal London Property Trust

Interim Report

For the six month period ended 30 June 2024 (unaudited)

ROYAL LONDON

ASSET MANAGEMENT

Contents

* The Manager's report comprises these items.

+ The Manager's Investment Adviser's report includes a note on The Value Assessment.

Trust Information

Trust

The Royal London Property Trust (the "Trust") is an authorised unit trust. The Trust is a feeder fund which has been established to facilitate investment into the Royal London Property Fund (the "Master Fund"). For more details, please refer to general information on pages 21 and 22.

Authorised Fund Manager (the "Manager")

The Manager is Royal London Unit Trust Managers Limited which is the sole director.

Place of business and Registered office:
80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority; a member of The Investment Association (IA).

T: 020 3272 5000

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Directors of the Manager

H.I. Georgeson

R.A.D. Williams (Resigned 26 April 2024)

A.L. Hunt

J.S. Glen (Appointed 1 April 2024)

R. Kumar

S. Spiller

J.M. Brett (Non-executive Director)

J.M. Jackson (Non-executive Director)

Investment Adviser

Royal London Asset Management Limited

Place of business and Registered office:
80 Fenchurch Street, London EC3M 4BY

Authorised and regulated by the Financial Conduct Authority.

Trustee

NatWest Trustee and Depositary Services Limited

1 Princes Street, London EC2R 8BP

Authorised and regulated by the Financial Conduct Authority.

Registrar

SS&C Financial Services Europe Limited

The Register may be inspected at:
SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS

Authorised and regulated by the Financial Conduct Authority.

Administrator to the Trust

HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Independent Auditors

KPMG LLP
Chartered Accountants and Statutory Auditors

15 Canada Square, London E14 5GL

Authorised Fund Manager's Report

We are pleased to present the Interim Report and Financial Statements for the Royal London Property Trust (the "Trust"), covering the period from 1 January 2024 to 30 June 2024.

About the Trust

The Trust is a feeder fund which has been established to facilitate investment in the Royal London Property Fund (the "Master Fund").

Authorised status

The Trust was launched and authorised by the Financial Conduct Authority ("FCA") on 28 May 2010. The Trust is a stand-alone Collective Investment Scheme as defined in the Financial Services and Markets Act 2000 which is categorised as a non-Undertaking for Collective Investments in Transferrable Securities retail scheme (NURS) operating under Chapter 5 of COLL. The Trust qualifies as an Alternative Investment Fund within the meaning of Alternative Investment Fund Managers Directive ("AIFMD") for the purposes of the FCA Rules.

The financial statements

The information for the Trust has been included in these financial statements. We have provided a detailed description of the strategy that was adopted during the period under review.

Change of Independent Auditors

With effect from 20 June 2024 PricewaterhouseCoopers LLP resigned as auditors of the Trust. The Directors intend to appoint KPMG LLP as replacement.

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

For and behalf of Royal London Unit Trust Managers Limited

Manager

R. Kumar (Director)

S. Spiller (Director)

21 August 2024

Manager's Investment Adviser's Report

The investment objective of the Royal London Property Trust (the "Trust") is to achieve capital growth and income by investing solely in the Royal London Property Fund (the "Master Fund").

As the Trust's sole investment are shares held in the Master Fund, the Trust is subject to the same underlying risks and returns of the Master Fund, and as such, the commentary presented on pages 5 to 9 is consistent with those of the Master Fund. Any performance differential between the feeder and master therefore reflects different management charges that may be applicable, rather than any underlying investment reason.

It is intended that the Trust will be the feeder fund for the Master Fund at all times.

Objective

The investment objective of the Master Fund is to manage a balanced UK property portfolio across business sectors and regions, seeking to balance income from core holdings with active management. The objective is to target a total return over the long term, which should be considered as a period of 7-plus years by investing predominantly in UK commercial properties.

Strategy

The Master Fund invests across business sectors and regions seeking to balance the income from 'core' holdings with active management, taking advantage of opportunities when they arise to enhance the Master Fund's value. The Master Fund will aim to purchase properties of suitable quality and manage them actively and effectively, until positive market conditions allow them to sell on beneficial terms. The Master Fund's manager aims to mostly acquire properties which are fully let to tenants of sound financial strength, but can take a measured exposure to development property. Investments will be made in a wide range of UK commercial property, with diversification geographically throughout the UK and across a range of business sectors and tenant covenant.

Performance

For the 6 month ended 30 June 2024, the Master Fund generated a return of 2.38% (30/06/23: 0.31%), compared to its benchmark, the MSCI/AREF UK All Property Index which showed a return for the year of 1.72% (30/06/23: 0.09%).

Outperformance on a YTD basis has been driven by more resilient capital value movements, but the Master Fund also benefits from a relatively higher income return.

Relative outperformance in each of the main sectors has been the key driver of overall relative performance. The portfolio's overweight position to the office sector has been detrimental to relative performance so far this year, with this sector of the market underperforming the All Sector average. An overweight position to industrial has been beneficial. Being underweight to unit shops has also supported relative returns.

Benchmark change

With effect from 1 July 2023, the Master Fund changed its benchmark, MSCI/AREF UK Other Balanced Property Fund, to MSCI/AREF UK All Property Index. The MSCI/AREF UK Other Balanced Property Fund benchmark used by the Master Fund for the 6 months comparative period to 30 June 2023 has been determined to be misaligned with the investment philosophy as directed by the Master Fund's Prospectus.

Economic outlook

Data from business surveys indicated robust worldwide GDP growth towards the end of the second quarter. The global composite PMI, which gauges business activity across multiple sectors, was steady at levels suggestive of continued expansion in private sector output. Although business confidence experienced a slight decline as the quarter concluded, this may have been due to growing heightened political uncertainty associated with upcoming elections in France and the UK, as well as ongoing uncertainty surrounding the political climate in the US. Consumer confidence trends were mixed, with a fall observed in the US, while the UK and Eurozone saw increases. Bank lending conditions showed mixed signals, yet previous tightening along with restrictive monetary policies probably continued to hinder economic activity. Inflation releases were mixed over the quarter but were more inflation-target consistent in the US than in Q1 and UK inflation actually did hit the 2.00% target (even if services inflation remained strong). However, over Q2, markets pared back the number of rate cuts priced in for major economies again.

Towards the close of the second quarter, the composite PMI for the Eurozone hinted at steady private sector outputs. In comparison, by quarter's end, the UK and US PMIs indicated stronger economic growth, although the US Institute for Supply Management (ISM) surveys suggested a less positive outlook than the PMIs. As of early July, the Atlanta Federal Reserve's GDP Nowcast forecasted modest annualized US GDP growth of around 2.00% for Q2.

Central banks in the US and UK kept policy interest rates on hold, while the ECB cut rates 25 basis points in June. That ECB rate cut was in line with signalling from various ECB speakers and followed progress made in lowering inflation. ECB guidance beyond June were more ambiguous and data dependent. Although the Bank of England kept rates on hold in Q2, two (out of nine) MPC members voted for a rate cut at the June meeting. For the Federal Reserve, however, the median Fed participant was only forecasting one 25bp rate cut by the end of 2024 (from 75bp previously).

Manager's Investment Adviser's Report (continued)

Economic outlook – continued

G7 CPI showed little change throughout the quarter (data until May). The most recent figures (June 2024) reveal that headline inflation in the US decreased over Q2 to an annual rate of 3.00%. In the UK, inflation saw a significant drop in April due to lower energy costs and base effects, and it continued to decline in May, aligning with the 2.00% inflation goal. Nonetheless, UK services inflation, which the Bank of England monitors as a measure of persistent inflation, stayed high. Throughout Q2, Eurozone CPI inflation remained fairly steady at around 2.50% (beyond the target), with services inflation consistently above 4.00% by quarter's end. In Europe, wage growth rates persisted at levels that might cause concern for central banks. As of the latest data for April, the annual growth rate for regular pay in the UK was still robust at 6.00% for the three months leading up to April (approximately the same as three months prior).

Unemployment rates stayed low in the US, UK, and eurozone. Although, the UK showed clearer signs of a softening labour market. In 2024, unemployment increased during the February-April period; payroll numbers dropped in April and May, and job openings have been decreasing overall.

The latest data released indicate that the UK has recovered from its technical recession in the first quarter, with signs of sustained economic expansion into the second quarter. GDP saw a real term increase of 0.70% over Q1, following a decline of 0.30% in the final quarter of the previous year. The economic growth for Q2 appears promising, as suggested by the GDP figures for April and even more so with the unexpectedly strong GDP data for May (which became available in early July).

PMI business survey data signalled positive private sector activity growth in April, May and June, staying above the 50 'no growth' level. Retail sales were mixed over the quarter with weather effects likely dampening sales in April, but over the three months to May retail sales volumes rose 1.00% compared with the previous three months.

Market review

The decisive nature of the outcome of the General Election and the size of Labour's majority in theory gives the new government plenty of leeway to change policy in their priority areas, but that doesn't mean that the going will be easy. The result is unlikely to shift the near-term outlook for economic growth, but after a sustained period of instability, UK politics may have reached an inflection point. For existing and potential investors in UK assets, this should offer reassurance, particularly when contrasted with the heightening levels of political uncertainty in the US and in Europe.

UK real estate pricing continues to look relatively attractive in comparison to many European markets, with capital values now on average around 25.00% lower than their peak two years earlier, according to the MSCI UK Monthly Index. Concerns around the future path of interest rates have weighed heavily on decision making and investment volumes so far this year look soft when compared to historic long-term averages. According to data from RCA, UK deal volumes in Q2, were broadly unchanged from the levels seen during Q1, at around £10.2bn. YTD volumes over the first six months of the year stand at c. £20.3bn, which is roughly 27.00% down on the five year average. BNP Paribas commentary suggests that investor focus this year has been directed towards build-to-rent residential, food stores, logistics and hotels.

The latest investment performance figures from MSCI demonstrates an uptick in market sentiment. Total returns in Q2 were 1.71% across all sectors, with June marking the sixth consecutive month of positive total returns and the third month in a row where capital growth was marginally positive. Yields across most sectors appear to be stabilising, with pockets of yield compression where investor activity is centred. JLL Monthly Yield sheet suggests that prime yields for retail warehouse parks moved in by 75 basis during the quarter, from 6.25% in March to 5.50% in June. This movement has seen the retail sector outperform during Q2, with total returns of 2.79%. This compares favourably with returns in the industrial sector at 1.89% and with the office sector, which lagged behind at -0.19%. Yields for secondary offices with poor ESG credentials are still trending weaker, but the prime end of the office sector is more robust. A number of trophy assets in Central London have come to the market lately and could provide crucial evidence to the wider market. It will be interesting to see how competitive bidding for these assets gets.

With inflation returning to target levels and the outlook for GDP growth being for a steady recovery through the remainder of 2024 and into 2025, a stable and predictable political environment should give investors more confidence and serve as a tailwind for liquidity. With real estate yields showing signs of plateauing and rental growth resulting positive asset value growth, momentum may be turning a corner. We therefore expect to see investment volumes to gradually trend upwards.

Looking further ahead, the Labour policy pledges on business rates and planning reform as well as plans for a National Wealth Fund to unlock private investment could be very significant, if the stated objectives are met. Details on how these plans might work in practice have so far have been light. It could take several years for these plans to come to fruition and for their impacts to be felt. The next Budget will be crucial in providing more context and will indicate how committed they are to structural reform and bringing forward change.

Manager's Investment Adviser's Report (continued)

Portfolio review and activity

At a property portfolio level, capital growth over the last six months has been more resilient than the benchmark at an all sector level. On average values in the portfolio have grown modestly by 0.21% whereas in the benchmark they have fallen by 0.46%. Performance in each sector has been relatively positive with strong outperformance coming from the Alternatives sector (Total returns of 5.28% vs 2.33%).

Performance in the retail sector has been driven by the retail warehouse portfolio (3 assets, located in Milton Keynes, Leeds and Shoreham). The aggregate 6 month return of these three assets was 6.59%, comfortably higher than the retail warehouse benchmark average of 4.45%.

The office portfolio has seen capital values decline by 1.39% on a YTD basis, but this represented outperformance when compared to the benchmark average of -3.16%. The three office properties in the West End of London provided resilient performance with values only falling by 0.27% over the six months to June 2024.

The Industrial portfolio outperformed over the last six months, with total returns of 3.64% compared to the benchmark average of 3.16%.

Vacancy rate in the Master Fund as at 30 June 2024 was 5.50% (30/06/23: 6.00%), which remains below the benchmark level at 8.70% (30/06/23: 11.00%). The Master Fund also has vacant space at Downley Road, Havant, but this asset is a development property, so not included in the vacancy rate calculation, as per MSCI's standard methodology.

Rent collection

The Master Fund had a collection rate of 99.99% (30/06/23: 99.68%) of the rent demanded for the half year ending 30 June 2024. The remainder is subject to either ongoing discussions with tenants, agreements that have been reached or potential legal action to pursue recovery.

Balance Sheet management

As at the 30 June 2024, the Master Fund held £34.05m (30/06/23: £35.58m) in cash equating to 8.59% (30/06/23: 8.77%) of the Master Fund's net asset value.

The Master Fund currently has no gearing.

Acquisitions

In March, the Master Fund completed the acquisition of Downley in Havant for £5.13m. The site, totalling 4.19 acres, was acquired from the Administrators of Dunham-Bush Limited. The business plan is to demolish the existing building, which is no longer fit for purpose and to construct a best in class 3 unit terrace of warehouses, providing 104,320 sq ft of lettable floor area. The new development will be targeting EPC A+ and BREEAM Outstanding. The anticipated GDV is £28.00m. The acquisition is in line with Master Fund's strategy of acquiring an industrial development site to generate enhanced returns.

Disposals

In June, the Master Fund completed on the sale of the freehold interest of The Braccans, Bracknell for £2.80m to BMR Property Ltd, who plan to convert the vacant office building into residential. The Master Fund achieved a price above current book value (£2.75m) and this sale supports the Master Fund's strategy to exit small secondary assets and redeploy capital towards better best-in-class buildings which will positively contribute to the Master Fund's performance.

Asset management and lettings

The following are the key asset management activities completed by the Master Fund during the period.

Industrial

Midpoint 105, Minworth, Birmingham: In January 2024 the Master Fund agreed a lease renewal for a further two years subject to breaks at a rent of £1.06m pa with the Tenant, GSF Car Parts.

The newly agreed rent is a 60.00% increase on the previous passing rent agreed in 2018 and breaks back to £10 psf. This new rent does reflect a premium to account for the short term flexible nature of the new lease.

The tenant has an option to extend this two year agreement for a further five years.

Unit 5 & 24, Junction 8 Industrial Estate, Ellesmere Port: During Q2 2024 the Master Fund agreed two lease renewals with West Midlands Ambulance Service NHS Trust (Unit 5) and Owen Springs Limited (Unit 24), respectively.

The newly agreed rent on Unit 5 is a 38.00% increase on the previous passing rent agreed in 2019 and breaks back to £7 psf. Unit 24 rent reflects a 55.00% increase on the previous rent and breaks back to £8.50 psf.

Both tenants agreed five year lease extensions, with Unit 5 having an annual rolling tenant break, whilst Unit 24 has a tenant break in year three.

Manager's Investment Adviser's Report (continued)

Portfolio review and activity – continued

Offices

41 Eastcheap, London: The property is a high quality office building of c.20,000 sq ft located in the City of London's insurance district EC3. The offices are arranged over basement, lower ground and six upper floors.

The refurbished 4th floor has been pre-let to BCS Data Centres Limited at a rent of £67.50 per sq ft for a term of 5 years with a tenant break option at the 3rd year. The 4th floor has been comprehensively refurbished to provide fully fitted (CAT A +) office space with the works completing in April. BCS Data Centres Limited have a lease on the lower ground floor and have expanded their occupation to include the whole 4th floor. There is a much greater supply of fully fitted office space in the City which has led to less rental growth. The pre-let has removed the leasing void risk, maintained the rental value and enabled the Master Fund to retain an existing tenant who did not exercise their break option on the lower ground floor. Following completion of the 4th floor letting the building will be fully let.

Retail

Unit 1, Cairngorm Retail Park, Milton Keynes: In June 2024, the Master Fund completed a lease regear with DFS. A Deed of Variation was entered into to reduce the rent on the current lease from £634,505 pa to £420,000 pa with effect from 25 March 2024.

A 10 year reversionary lease was also agreed to commence from expiry of the current lease. The commencing rent on the reversionary lease will be £401,120 pa and there will be a rent review in year 5.

The transaction has resulted in a valuation uplift of £750,000.

Responsible Property Investment (RPI)

Since the start of 2024, we have continued to make significant progress in delivering against our Responsible Property Investment (RPI) Strategy and our Net Zero Carbon Pathway. We are undertaking several programmes of works to embed these strategies and create positive environmental and social outcomes for our investors, occupiers and other key stakeholders.

- Completed the development of our Social Value Framework which identified opportunities to embed social value in our existing processes and procedures. The framework is accompanied by core key performance indicators (KPIs) which will be used to track and report on the progress of our interventions. Our next step in developing our social value strategy will be to test the framework to establish a consistent implementation approach to social value across the Master Fund.
- Continued undertaking Energy Performance Certificate (EPC) assessments across all of our assets using the new methodology which came into effect in June 2022. In the year to June 2024, the number of A+ to B rated EPCs has increased from 44 to 56, whilst the number of C to G rated EPCs has decreased from 82 to 67. Additionally, EPC Building Upgrade Reports (BURs) are being produced on all units with an EPC rating below a B in response to the potential legislation requiring all commercial buildings to achieve an EPC B rating by 2030. As of June 2024, 82% of units with an EPC rating below a B have had a BUR completed. This highlights our focus on reducing the Master Fund's transitional risk, whilst delivering more operationally efficient assets for our occupiers.
- Continued our efforts in collecting occupier consumption data through the installation of utility loggers across our largest single-let properties and Automatic Meter Reading (AMRs) devices on all refurbishments and developments. We have also used two specialist consultancies to access aggregated, anonymous energy data at the building level directly from a national database across single-let units in the Master Fund to further increase occupier data coverage.
- Completed flood risk assessments across all assets to identify those at highest risk of flooding both in the present day and in the future using climate projections. More detailed assessments are currently being undertaken on a further three assets in the Master Fund where the first assessments identified a flood risk of medium or above in the present day or an increase to medium risk under the climate change scenario. Where required, mitigation measures are recommended, along with estimated costs to then be implemented.
- Completed a desk-based biodiversity baselining exercise across all assets within the Master Fund in support of the development of our biodiversity framework. This framework will use the baseline to set out quantifiable targets across different asset typologies to improve levels of biodiversity across the Master Fund, alongside the creation of sector-specific nature-based solution (NBS) design guides that can be used to inform interventions across our properties.

Manager's Investment Adviser's Report (continued)

Portfolio review and activity – continued

- Following the success of the RPI training day in September 2023 for the Property team, we have commenced mandatory RPI training on a quarterly basis. These half day sessions cover various aspects of sustainability within the context of the Royal London Asset Management Property team, using our RPI strategy to create points of discussion and frame scenarios across investment, development and asset management activities. To date, these training sessions have covered NZC and occupier engagement.

Stephanie Hacking
Portfolio Fund Manager
Royal London Asset Management Limited
19 August 2024

This report covers investment performance, activity and outlook. The Trust's Annual Assessment of Value report is available on www.rlam.com. Portfolio holdings are subject to change, for information only and are not investment recommendations.

The Task Force on Climate-related Financial Disclosures (TCFD) Report for Property Funds can be found on our website, at https://www.rlam.com/uk/institutional-investors/our-capabilities/property/responsible-property-investment/. This report has been prepared in accordance with the recommendations of the TCFD, which aims to help the investment community build a more in-depth and consistent picture of the impact of climate change.

The views expressed are the author's own and do not constitute investment advice and are not an indication of future Trust's performance. Portfolio holdings are subject to change, for information only and are not investment recommendations.

Source: Royal London Asset Management Limited, unless otherwise stated.

Portfolio Statement

As at 30 June 2024

Holding	Investment	Fair/Market value (£'000)	Total net assets (%)
Property Authorised Investment Fund 100.00% (31/12/23 – 100.00%)			
33,421,241	Royal London Property Fund Class 'A'	256,592	100.00
Total value of investments		**256,592**	**100.00**
Net other assets		**–**	**–**
Total net assets		**256,592**	**100.00**

As a clarification to the SORP the amounts disclosed in a Feeder fund Portfolio Statement should reflect the accounts value in the underlying Master Fund. The Master Fund is a Related Party.

Summary of Material Portfolio Changes

For the six month period ended 30 June 2024

Significant Purchases

	Cost £'000
There have been no purchases during the period	–

Significant Sales

	Proceeds £'000
There have been no sales during the period	–

Comparative Table

Class A Accumulation

Change in net assets per unit	30/06/24 (p)	31/12/23 (p)	31/12/22 (p)	31/12/21 (p)
Opening net asset value per unit	753.51	760.31	834.78	714.13
Return before operating charges	14.24	(6.80)	(74.47)	120.65
Operating charges	0.00	0.00	0.00	0.00
Return after operating charges	14.24	(6.80)	(74.47)	120.65
Closing net asset value per unit	**767.75**	**753.51**	**760.31**	**834.78**
Retained distribution on accumulation units	12.57	23.86	23.49	20.87
Performance				
Return after charges	1.89%	(0.89)%	(8.92)%	16.89%
Other information				
Closing net asset value (£'000)	256,592	251,832	254,105	278,994
Closing number of units	33,421,241	33,421,241	33,421,241	33,421,241
Operating charges	0.00%	0.00%	0.00%	0.00%
Prices				
Highest unit price	757.39	751.31	888.90	823.37
Lowest unit price	746.07	735.23	749.69	706.05

It should be remembered that past performance is not a reliable indicator of future performance and that the value of units, and the income derived from them, can vary.

Financial Statements

Statement of Total Return

For the six month period ended 30 June 2024

	30 Jun 2024 £'000	30 Jun 2024 £'000	30 Jun 2023 £'000	30 Jun 2023 £'000
Income				
Net capital gains/(losses)		559		(5,569)
Revenue	5,152		6,200	
Expenses	–		–	
Net revenue before taxation	5,152		6,200	
Taxation	(951)		(842)	
Net revenue after taxation		4,201		5,358
Total return/(deficit) before distributions		4,760		(211)
Distributions		(4,201)		(3,691)
Change in net assets attributable to unitholders from investment activities		**559**		**(3,902)**

Statement of Change in Net Assets Attributable to Unitholders

For the six month period ended 30 June 2024

	30 Jun 2024 £'000	30 Jun 2024 £'000	30 Jun 2023 £'000	30 Jun 2023 £'000
Opening net assets attributable to unitholders		**251,832**		**254,105**
Amounts receivable on creation of units	–		–	
Amounts payable on cancellation of units	–		–	
		–		–
Change in net assets attributable to unitholders from investment activities		559		(3,902)
Retained distributions on accumulation units		4,201		3,691
Closing net assets attributable to unitholders		**256,592**		**253,894**

Balance Sheet

As at 30 June 2024

	30 Jun 2024 £'000	31 Dec 2023 £'000
Assets		
Fixed assets:		
Investments	256,592	251,832
Current assets:		
Debtors	–	–
Cash and bank balances	–	–
Total assets	256,592	251,832
Liabilities		
Creditors:		
Other creditors	–	–
Distribution payable	–	–
Total liabilities	–	–
Net assets attributable to unitholders	**256,592**	**251,832**

Notes to the Financial Statements

For the six month period ended 30 June 2024

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods/years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Trust have been prepared in compliance with the FCA's Collective Investment Schemes Sourcebook ("COLL") and in accordance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, ''The Financial Reporting Standard applicable in the UK and the Republic of Ireland'' (''FRS 102''), the Statement of Recommended Practice (SORP) for Financial Statements of Authorised Funds issued by The Investment Association in May 2014 and amended in June 2017 (the "2014 SORP") and the Prospectus and Trust Deed. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the profit or loss.

Going concern

The Manager has undertaken a detailed assessment, and continues to monitor the Trust's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Trust continues to be open for trading and the Manager is satisfied the Trust has adequate financial resources to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. The Manager has also considered the Master Fund's strategy, forecasted cash flows, liquidity, borrowing facilities, redemptions and subscriptions, operational resilience of its service providers and expected investment activities of the Master Fund and has not identified any material uncertainty that casts significant doubt upon the Master Fund's ability to continue as a going concern for a period of not less than twelve months from the date of the approval of the financial statements. The Manager has satisfied themselves that the Trust has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it is appropriate to adopt the going concern basis in preparing the financial statements.

Cash flow statement

The Trust is required to produce a cash flow statement in accordance with FRS 102 7.IA as the Trust's investments in the Master Fund are made up mainly of immovable property which are highly illiquid. However, as the Trust does not hold cash or have a bank account, it would not be possible to prepare a cash flow statement.

Basis of valuation of investments

The Trust invests all of its capital in Class A Accumulation Units (institutional) of the Master Fund. This is valued at fair value, which is deemed to be the net asset value per share reported in the comparative table in the Trust's Annual Report and financial statements at the end of the current accounting period.

Revenue recognition

Distributions from collective investment schemes (the "Master Fund") are credited to revenue when the security is quoted ex-dividend. Accumulation of revenue relating to accumulation units or shares held in underlying funds is recognised as revenue and included in the amount available for distribution.

Distributions received from the underlying investment in the Master Fund are recognised on an accrual basis. Distributions received from the Master Fund are in three streams (dividend, interest and property).

Revenue is accrued in line with the Master Fund and is recognised when the Master Fund is priced ex-dividend.

Treatment of expenses

All expenses (other than those relating to the purchase and sale of units in the Master Fund) are charged to, and paid for, by the Master Fund. These include the annual management charge and fund administration charge of 0.60%.

As per the letter to unitholders dated 19 April 2023, the ACD of the Master Fund has reduced the periodic management charge from 0.75% to 0.60% with effect from 1 July 2023.

Taxation

The sole investment of the Trust is its holding of A Accumulation Shares in the Master Fund which qualifies as a Property Authorised Investment Fund ("PAIF").

In outline, the relevant tax treatment of the PAIF is that it is not liable to tax on capital gains realised on the disposal of its investments. The income generated by its underlying property investment business is exempt from tax in the Master Fund, as are any dividends received on underlying equity instruments. Its other income (which will mainly comprise interest) although technically taxable will be distributed as a tax-deductible payment so no tax should in practice be payable on it.

The Trust is an authorised scheme and accordingly is not liable to tax on capital gains on the disposal of any of its property, that it shares in the Master Fund.

The Trust will be deemed to receive the appropriate proportion of the income accumulated on its holding of A Accumulation Shares in the Master Fund. This will be streamed (for tax purposes only) into up to three parts depending on the nature of the income generated by the PAIF. The property income accumulations stream will be accumulated net of basic rate of tax (20%) withheld by the Master Fund, and this will satisfy the corporation tax liability of the Trust.

Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

1. Significant accounting policies – continued

Taxation – continued

Any dividends received by the Master Fund will constitute a separate stream of PAIF dividend accumulations for tax purposes. No further tax will be payable by the Trust on this income, and the remaining income will be PAIF interest accumulations which will be accumulated net of basic rate of income tax (20%) withheld by the Master Fund, which will satisfy the Trust's corporation tax liability on it.

Corporate unitholders holding accumulation units in the Trust which are within the charge to corporation tax will be treated for tax purposes as receiving income which, depending on the breakdown of the income of the underlying Master Fund, may be streamed into two parts (in these cases, the amounts will be indicated on the tax voucher). The income accumulated that represents income other than the Master Fund dividend accumulations, should be treated by corporate investors as an annual payment (made after deduction of income tax at the rate of 20%). Unitholders subject to corporation tax on the income allocation may offset the basic rate income tax credit against their tax liability, while corporate investors that are exempt from corporation tax on the income, for example where a life office holds the units as pension business, may reclaim the amount specified on their tax voucher from HMRC. Income allocations representing the Master Fund dividend accumulation will not generally be subject to corporation tax when received by a corporate shareholder but the notional tax credit attached cannot be reclaimed from HMRC. Income tax has been provided for at an appropriate rate for distribution to shareholders and the calculation of the share price is net of tax. Income received from investment in the Fund is taxed depending on the income stream. Property Income is taxed at 20%, interest income being taxed at 20% and dividend income at 0%.

Deferred tax is provided on all timing differences that have originated but not reversed by the Balance Sheet date.

Deferred tax assets are recognised only to the extent that it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Distribution policies

Basis of distribution

The Trust invests in accumulation shares in the Master Fund. Accordingly, it does not receive income distribution (although it is treated for accounting and tax purposes as doing so). Instead the Master Fund's accumulating income will be reflected monthly in the increasing value of the units in the Trust.

Unitholders are treated for tax purposes as receiving income on accumulation shares and units for every distribution period, even though the income has actually been accumulated, so unitholders will be deemed to receive dividend distributions with their accompanying tax credits, reflecting the income accumulated in the Master Fund.

Revenue attributable to accumulation unitholders is retained at the end of the distribution period and represents a reinvestment of revenue.

Expenses

In determining the net revenue available for distribution, expenses that are deemed to be capital in nature or are related to the purchase and sale of investments are ultimately charged to the capital of the Master Fund.

3. Risk management policies

The sole investment in the Trust is units in the Master Fund and is subject to the same underlying risks of the Master Fund. The Trust has a concentrated portfolio (it invests 100% of its assets in the "Master Fund") and if this investment declines in value or is otherwise adversely affected, it will have a direct effect on the Trust's value.

With the exception of the above, the risk factors applicable to the "Master Fund" also apply to the Trust as follows:

Market price risk and valuation of property

The Trust invests solely in the A Accumulation Shares of the Master Fund which is a collective investment scheme. The value of this collective investment scheme is not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual property or investment within the Master Fund or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser of the Master Fund seeks to minimise these risks by holding a diversified portfolio of direct property and other investments spread across all market sectors in line with the Master Fund's objectives. In addition, the management of the Master Fund complies with the Financial Conduct Authority COLL sourcebook, which includes rules limiting the size of investment in any particular holding. As a NURS invested in a single, qualifying property authorised investment fund, the aforementioned limit is not applicable to the Trust's own investment in the Master Fund.

Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

3. Risk management policies – continued

Sensitivity analysis

The only investment within the Trust is in the Master Fund and is dependent on the same sensitivities. The values of investment properties are driven by their expected rental yield. The current expected yield by sector is shown in the following table, along with the potential impact to values if all the properties in the sector increased or decreased based on a risk based percentage.

Sector	Equivalent yield	Risk % by Sector	Value if increase by risk %	NAV impact	Value if increase by risk %	NAV impact
Industrial	5.99%	0.25%	6,191,000	1.65%	(5,686,000)	(1.52)%
Offices	5.17%	0.25%	5,575,000	1.49%	(5,044,000)	(1.35)%
Retail	6.20%	0.25%	2,011,000	0.54%	(1,854,000)	(0.49)%
Others	6.23%	0.25%	1,386,000	0.37%	(1,278,000)	(0.34)%

Liquidity risk

The Trust does not hold cash or have a bank account. The Trust's assets comprise holding of A Accumulation Shares in the Master Fund which qualifies as a PAIF. Accordingly, it does not receive income payments (although it is treated for accounting and tax purposes as doing so). Instead the Master Fund's accumulating income will be reflected monthly in the increasing value of the units in the Trust.

Since the Trust solely invests in the Master Fund that comprises immovable property, which is relatively illiquid and more difficult to realise than most equities or bonds, it can be exposed to liquidity risk surrounding its Master Fund's capacity to maintain sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet its obligations to fund its distribution payments and redemptions.

In normal circumstances, the Trust permits redemptions on a monthly basis but with unitholders required to provide 3 months' advance notice of their intention to redeem, although the Manager may waive this notice period at its discretion provided that this does not materially prejudice unitholders. The Manager also has additional tools to deal with liquidity constraints which could arise. The Master Fund may (i) borrow cash to meet redemptions within the limits, that is, the value of the assets involved in property investment business will be at least 60% of the total value of the assets held by the Master Fund at the end of each of its accounting periods; (ii) defer a redemption request to the next dealing day where requested redemptions exceed 5% of the Net Asset Value or (iii) apply the in specie redemption provisions issue in which shares in the Master Fund are exchanged for assets as well as cash in excess of £10m.

The Manager has established a liquidity management policy and procedures for the qualitative and quantitative assessment of existing positions taken by the Trust and to assess whether intended investments would have a material impact on the overall liquidity profile of the Trust. In following these procedures, the assessment by the Manager takes account of actual and anticipated subscription and redemption flows, investor concentration, the current level of readily realisable assets in the Trust and the time required to realise further assets, prices and or spreads of investments in both normal and exceptional liquidity conditions. These factors are monitored and managed to ensure the liquidity profile of the Trust is aligned appropriately with the anticipated redemption flows. The Manager conducts regular stress testing (at least annually) of the Trust's portfolio in order to fully understand the liquidity profile of the Trust.

The following table provides a profile of the Trust's liquidity

	Within three months	Over three months but not more than one year	Over one year
As at 30 June 2024	**£000**	**£000**	**£000**
Cash at bank	–	–	–
	%	**%**	**%**
Unitholding that can be redeemed	–	–	100.00
Portfolio capable of being liquidated	–	100.00	–
As at 30 December 2023	**£000**	**£000**	**£000**
Cash at bank	–	–	–
	%	**%**	**%**
Unitholding that can be redeemed	–	–	100.00
Portfolio capable of being liquidated	–	100.00	–

Credit and counterparty risk

Credit risk is the risk that counterparty will default on their contractual obligations resulting in financial loss to the Master Fund. The Master Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Concentration of credit risk refers to disproportionally large risk exposure to specific credit risks, such as, certain individual tenants, specific industry sectors and or regions of the counterparty. The Master Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the counterparty.

In managing counterparty and concentration of credit risk, rental income from any one tenant or tenants, specific industry sectors and or regions within the Master Fund is monitored so that it does not exceed a certain threshold of the aggregate revenue in relation to the property investments in any accounting period as determined from time to time by the Manager. Rent is collected from tenants in advance, usually quarterly. Cash is placed on deposit with reputable financial institutions and is subject to limits as disclosed in the Prospectus.

Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

3. Risk management policies – continued

Credit and counterparty risk – continued

In the event of the insolvency of a counterparty, the Master Fund might not be able to recover cash or assets of equivalent value in full. The Master Fund has been closely monitoring the ability of tenants to pay their rent and adjusting bad debt provision accordingly. The ACD also works with the tenants to determine any rent concessions on a case-by-case basis.

There are no significant concentrations of credit risk, whether through exposure to certain individual tenants, specific industry sectors and or regions. The credit ratings of the investments are monitored frequently for credit deterioration. By diversifying the portfolio, where this is appropriate and consistent with the Master Fund's objectives, the risk that a significant change in the credit risk or quality of certain individual tenants, particular sector, specific industry and or regions will have a material impact on the Net Asset Value of the Master Fund is minimised. The investment concentrations within the portfolio are disclosed in the portfolio statement by investment type.

The Master Fund adhere to regulatory and fund management guidance and investment strategy and that mitigates any risk of excessive exposure to any particular type of sector or tenant type.

The Master Fund's cash and short term deposits at 30 June 2024 amounted to £33.49m (31/12/2023: £32.25m). Deposits and interest rate deposits were placed with financial institutions with BBB+ or better credit ratings.

At 30 June 2024, the fair value of all interest rate derivative assets by held by the Master Fund was £nil (31/12/2023: £nil).

At 30 June 2024, taking into consideration any offset arrangements, the largest combines credit exposure by the Master Fund to a single counterparty arising from money market deposits, liquid investments and derivatives was £33.49m (31/12/2023: £32.25m). This represents 8.72% (31/12/2023: 8.51%) of gross assets of the Master Fund.

The deposit exposures are with UK banks.

Currency risk

All financial assets and financial liabilities of the Trust are in sterling; thus the Trust has no exposure to currency risk at the Balance Sheet date.

Interest rate risk

Interest receivable on bank deposits or payable on bank overdrafts held by the Master Fund will be affected by fluctuations in interest rates and hence the accumulation income receivable by the Trust from the Master Fund. The Manager continuously reviews interest rates and the assessment of this may result in a change in investment strategy.

The interest rate risk is low for the Trust and therefore no sensitivity analysis has been performed.

Inflation risk

Inflationary risk is the risk that the future value of an investment, asset, or income stream, in real terms, will be reduced by unanticipated inflation.

A key to the effectiveness of managing inflationary risk associated with the fall in real income or returns lies in the Trust's ability to raise rents in markets with low vacancy rates, thus outpacing rising inflation and potentially increasing income distribution to unitholders/shareholders. The Master Fund also use built-in rent escalators that are tied to inflation that can directly drive rental income which protects the income-generation of existing leases. The Master Fund also allow new leases to capitalise on rising market rents when the leases are being agreed. In general, Property investment has served as a hedge against inflation over the long term and tend to be less sensitive to inflationary risk and may even benefit from unanticipated inflation.

The Manager address inflationary risk associated with increased costs by adjusting its cash flows for inflation to prevent changes in purchasing power especially in relation to capital expenditure such as construction and refurbishment costs. The Manager employ various risk management measures such as, the use of fixed price contract sums; inflation contingency in budgets and in appraisals; early procurement of risk packages; and protection against amendments in construction contracts where the contractor may seek to include an exclusion related to material inflation or supply chain issues.

On the other hand, sharp increase in construction and building costs may constrain the growth of new property stocks to some degree which would support property values. In fact, construction cost inflation has outrun other measures of inflation in recent years since high construction costs imply increased replacement costs for buildings and making existing property investments more valuable. The inflation risk is low for the Trust and therefore no sensitivity analysis has been performed.

Leverage risk

In managing the assets of the Trust, the Manager may from time to time use leverage, either in the form of borrowings (for example, for the purposes of funding acquisitions in anticipation of receiving subscriptions) or to meet redemption requests as part of the liquidity management of the Trust. Currently the Trust has no borrowings of cash or securities and as such no disclosure is required under the AIFM Directive.

Climate risk

Climate risk is the risk that asset valuations and the wider economy are negatively impacted by the transition to a low-carbon economy, as well as the physical risk to asset holdings as a result of severe weather events and longer-term shifts in climate.

Notes to the Financial Statements (continued)

For the six month period ended 30 June 2024

3. Risk management policies – continued

Climate risk – continued

The built environment is particularly susceptible to the effects of climate change. It affects the exposure of our assets to physical risks, such as flooding. It influences transition risks, such as divestment away from high-risk assets. It contributes to urban heat islands and impacts the health and wellbeing of occupants and local communities.

The Master Fund has reviewed the carbon footprint and emissions trajectory of its property portfolio for the coming decades. Based on this review, it has developed an informed pathway to decarbonise the property portfolio and achieve net zero carbon. This pathway is aligned with the latest industry guidance and principles for the built environment on how to reduce and compensate for its emissions meaningfully and accountably.

A key element of the Master Fund's risk mitigation strategy is set out within its new Responsible Property Investment (RPI) framework which covers four strategic focus areas:

- Investing in a resilient portfolio
- Developing for the future
- Managing assets for positive impact
- Responsible decision making.

Ten material Environmental, Social & Governance (ESG) issues form the foundation of the RPI framework, of which one was identified as the 'Transition to net zero carbon'. A set of Key Performance Indicators (KPIs) will be developed to track quantitative performance against achieving net zero carbon and actions will be undertaken as necessary to ensure fulfilment of the Master Fund's goals.

Economic and geopolitical risks

The performance of the Trust may be adversely affected by the impact of geopolitical and general economic conditions under which the Trust operates.

Political risks include changes in landlord and tenant, planning, trust or other law in the UK could also materially affect the investment returns.

Geopolitical risk feeds through into real economic activity because uncertainty over future economic conditions, particularly when caused by a large-scale war, causes firms and consumers to adopt a 'wait and see' approach, cutting back on investment and consumption plans.

The ongoing conflicts in Ukraine and in the Middle East continue to carry huge risks for the world economy. If geopolitical uncertainties persist, volatility in energy prices and inflation could return. The Company has no exposure to Russian companies as commercial tenants or investment.

However, sanctions imposed on Russia as a response by the UK and its allies have had a significant impact on the UK economy due to the disruption to the supply of energy to Europe which has affected wholesale prices in the UK to a greater extent than implied by direct trade links. The full economic impact of the conflicts on Western economies including the UK with higher inflation, volatile financial markets and adverse economic environment will depend on the extent to which the conflicts, and therefore the severity of sanctions and economic disruption, escalates and how long they last.

The returns that are likely to be achieved on an investment in the Company, which has its assets predominantly based in the UK, are not likely to be materially affected by the situation in Ukraine but by the political and economic climate in the UK.

Distribution Table

For the six month period ended 30 June 2024

Class A Accumulation

Distributions in pence per unit

Distribution period	Distribution per unit	Equalisation	Total distribution per unit 2024	Total distribution per unit 2023
January				
Group 1	3.0104		3.0104	1.7849
Group 2	3.0104	–	3.0104	1.7849
February				
Group 1	1.9181		1.9181	2.0348
Group 2	1.9181	–	1.9181	2.0348
March				
Group 1	1.8681		1.8681	1.9461
Group 2	1.8681	–	1.8681	1.9461
April				
Group 1	2.1229		2.1229	1.9662
Group 2	2.1229	–	2.1229	1.9662
May				
Group 1	1.7459		1.7459	1.9424
Group 2	1.7459	–	1.7459	1.9424
June				
Group 1	1.9053		1.9053	1.3686
Group 2	1.9053	–	1.9053	1.3686

Fact File

Royal London Property Trust

Launch date	Class A – Accumulation units (Institutional)	28 May 2010
Accounting end dates	31 December (Final)	
	30 June (Interim)	
Distribution dates	31 January (Final)	
	Last business day of every month (Interim)	
Minimum investment	£100,000	
Management charges*	Preliminary charge	0.00%
	Manager's periodic management charge	0.60%
	Performance fee	0.00%

* As per the letter to shareholders dated 19 April 2023, the ACD of the Master Fund has amended the Master Fund's investment objective to remove the performance target, removal of the performance fee and reduction in the periodic management charge from 0.75% to 0.60% with effect from 1 July 2023.

The Trust was launched following the conversion of the Royal London Exempt Property Unit Trust on 28 May 2010 into the Royal London Property Fund.

General Information

The Royal London Property Trust (the "Trust") is an authorised unit trust. The Trust is a feeder fund which has been established to facilitate investment into the Royal London Property Fund (the "Master Fund").

The Master Fund is a Property Authorised Investment Fund ("PAIF"). The PAIF is an open ended investment company ("OEIC") and PAIFs may invest in real property (commercial and residential) and units in UK Real Estate Investment Trusts (UK REITs).

The Trust was created because corporate investors are required by the FCA and HMRC to invest into PAIFs via a feeder fund in order to counter potential tax avoidance rules which prevent corporate investors from holding 10% or more of a PAIF but the rules allow them to participate through an intermediate feeder fund. Therefore, the feeder fund's sole investment comprises shares in the PAIF. As the feeder fund owns only shares of the PAIF, it will have the same ultimate investments, assets and liabilities as the PAIF. It will also have the same price, charges and performance as the PAIF. Consequently, these financial statements should be read in conjunction with the financial statements for the PAIF.

Pricing and dealing

The buying (offer) price and selling (bid) price of units are determined by reference to the underlying market value of the net assets of the Trust at the relevant valuation point. Unit prices are normally calculated monthly however, if the markets are exceptionally volatile the Manager may conduct more frequent valuations to reflect any significant changes in the value of the Trust's underlying assets.

Dealing in units conducted on a monthly basis; on the seventh business day following the end of the previous month, between 9:00 a.m. and 5:00 p.m.

Buying units

Investors should complete an application form available from the Manager and send it to the Manager, on or before the 15th of the month prior to the Dealing Day, at its administration centre with a cheque payable to Royal London Unit Trust Managers Limited. On acceptance of the application, units will be sold at the relevant sale price, and a contract note confirming the sale price and the number of units sold together with, in appropriate cases, a notice of the applicant's right to cancel, will be issued. An order for the purchase of units will only be deemed to have been accepted by the AFM once it is in receipt of cleared funds for the application.

Selling units

To redeem units, investors should provide a written instruction, three months in advance of a monthly Dealing Day, to the Manager at its administration centre with instructions to redeem the relevant number (if known) or value of units. The units will be repurchased at the price calculated at the valuation point on the appropriate Dealing Day. Proceeds of redemption (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid no later than the close of business on the fourth business day following receipt of a signed form of renunciation.

Cancellation rights

Where a person purchases units the Conduct of Business Sourcebook (as amended from time to time) may give the investor the right to cancel the relevant purchase within 14 days of receipt of the requisite notice of a right to cancel. The right to cancel does not arise if (a) the investor is not a private customer, (b) the investor is not an execution-only customer, (c) the agreement to purchase is entered into through a direct offer financial promotion, or (d) the agreement is entered into under a customer agreement or during negotiations (which are not ISA related) intended to lead to a client agreement.

Accumulation of income

All net income is automatically accumulated within the Trust and reflected in the price of units.

UK taxation

This information is based on United Kingdom law and practice known at the date of this document. Unitholders are recommended to consult their professional adviser if they are in any doubt as to their tax position.

The sole investment of the Trust is its holding of A Accumulation Shares in the PAIF.

In outline, the relevant tax treatment of the PAIF is that it is not liable to tax on capital gains realised on the disposal of its investments. The income generated by its underlying property investment business is exempt from tax in the PAIF, as are any dividends received on underlying equity instruments. Its other income (which will mainly comprise interest) although technically taxable will be distributed as a tax-deductible payment so no tax should in practice be payable on it.

The Trust is an authorised scheme and accordingly is not liable to tax on capital gains on the disposal of any of its property, that it shares in the PAIF.

General Information (continued)

UK taxation – continued

The Trust will be deemed to receive the appropriate proportion of the income accumulated on its holding of A Accumulation Shares in the Master Fund. This will be streamed (for tax purposes only) into up to three parts depending on the nature of the income generated by the PAIF. The property income accumulations stream will be accumulated net of basic rate of tax (20%) withheld by the PAIF, and this will satisfy the corporation tax liability of the Trust. Any dividends received by the PAIF will constitute a separate stream of PAIF dividend accumulations for tax purposes. No further tax will be payable by the Trust on this income, and the remaining income will be PAIF interest accumulations which will be accumulated net of basic rate of income tax (20%) withheld by the PAIF, which will satisfy the Trust's corporation tax liability on it.

Corporate unitholders holding accumulation units in the Trust which are within the charge to corporation tax will be treated for tax purposes as receiving income which, depending on the breakdown of the income of the underlying PAIF, may be streamed into two parts (in these cases, the amounts will be indicated on the tax voucher). The income accumulated that represents income other than the PAIF dividend accumulations, should be treated by corporate investors as an annual payment (made after deduction of income tax at the rate of 20%). Unitholders subject to corporation tax on the income allocation may offset the basic rate income tax credit against their tax liability, while corporate investors that are exempt from corporation tax on the income, for example where a life office holds the units as pension business, may reclaim the amount specified on their tax voucher from HMRC. Income allocations representing the PAIF dividend accumulation will not generally be subject to corporation tax when received by a corporate shareholder but the notional tax credit attached cannot be reclaimed from HMRC.

For any individual unitholders who are taxpayers, the gross dividend accumulations will be subject to UK income tax. A dividend accumulation is normally treated as being the top slice of income. The tax credit can be used to reduce the tax liability. A unitholder taxable at either the basic rate of tax (10% on dividends) will have no further tax to pay, whilst a unitholder taxable at the higher rate of tax (32.5% on dividends) will be liable to further tax equal to 22.5% of the gross income (equivalent to 25% of the net receipt), and unitholders liable to the additional rate of tax (42.5% on dividends) will be liable to further tax equal to approximately 36% of the gross income. UK resident individuals not liable to tax on all or part of their income allocation are unable to reclaim any part of the notional tax credit.

For all income allocations: A tax voucher showing the amount of the income distributed or deemed to be distributed to the unitholders and the notional tax credits and tax deducted will be sent to the unitholders at the time of the distribution.

Capital gain: The sale of units by unitholders will constitute a disposal for the purposes of tax on capital gains. For unitholders within the charge to corporation tax, net capital gains on disposal of holdings in the Trust will normally be added to their profits chargeable to corporation tax or exempt from it, depending on the circumstances of each unitholder. Individual unitholders resident or ordinarily resident in the UK will not be liable to tax on their capital gains, unless their chargeable gains from all sources are in excess of the annual exemption.

Trust reports and Prospectus

Copies of the latest yearly and half yearly financial statements and copies of the Prospectus may be obtained from Royal London Unit Trust Managers Limited upon request.

Contact Us

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