BMO Commercial Property Trust Limited

(Formerly F&C Commercial Property Trust Limited)

Interim Report for the six months ended 30 June 2019

Company Overview

Objective

The investment objective of BMO Commercial Property Trust Limited ('the Company') is to provide ordinary shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

The Company

The Company is an Authorised Closed-Ended Guernsey incorporated investment company. Its shares have a premium listing on the Official List of the UK Listing Authority and are traded on the Main Market of the London Stock Exchange. Stock Code : BCPT.

The Interim Report of the Company also consolidates the results of its subsidiary undertakings, which collectively are referred to throughout this document as 'the Group', details of which are contained in note 10 to the accounts.

At 30 June 2019 Group total assets less current liabilities were £1,400 million and Group shareholders' funds were £1,090 million.

The Group elected into the UK REIT regime from 3 June 2019.

Management

The Board has appointed BMO Investment Business Limited (referred to throughout this document as 'the Investment Managers') as the Company's investment managers and BMO REP Asset Management plc (referred to throughout this document as 'BMO REP' or 'the Property Managers') as the Company's property managers. The Investment Managers and BMO REP are both part of the BMO Asset Management (Holdings) plc group ('BMO') and, collectively, are referred to in this document as 'the Managers'.

BMO is wholly owned by Bank of Montreal and is part of the BMO Global Asset Management group of companies.

Capital Structure

The Company's equity capital structure consists of ordinary shares ('Ordinary Shares'). Subject to the solvency test provided for in The Companies (Guernsey) Law, 2008, being satisfied, ordinary shareholders are entitled to all dividends declared by the Company and to all of the Company's assets after repayment of its borrowings and ordinary creditors.

Guernsey Regulatory Status

The Company is an Authorised Closed-Ended Investment Scheme domiciled in Guernsey and was granted an authorisation declaration by the Guernsey Financial Services Commission in accordance with Section 8 of The Protection of Investors (Bailiwick of Guernsey) Law, 1987, (as amended) and rule 6.02 of the Authorised Closed-Ended Investment Schemes Rules 2008, on 9 June 2009.

How to Invest

The Investment Managers operate a number of investment plans which facilitate investment in the shares of the Company. Details are contained on page 29. You may also invest through your usual stockbroker.

Alternative Performance Measures ('APM')

The Company uses a number of alternative performance measures in the discussion of its business performance and financial position. Further information is provided on page 30.

Visit our website at:
bmocommercialproperty.com

aic
The Association of Investment Companies

Legal Entity Indentifier: 213800A2B1H4ULF3K397

Front Cover Photo: Revolution Park, Chorley

Financial Headlines

Delivering long-term growth in capital and income

-8.0
per cent

Share price total return*

Share price total return of -8.0 per cent for the 6 months.

-0.4
per cent

Net asset value total return*

Based on net assets calculated under International Financial Reporting Standards. Net asset value total return is calculated assuming dividends are re-invested.

5.4
per cent

Annualised dividend yield*

Maintained annualised dividend at 6.0 pence per share giving a yield of 5.4 per cent on the period end share price.

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

*See Alternative Performance Measures on page 30.

Performance Summary

	Half year ended 30 June 2019
Total Returns for the period*	
Net asset value per share	**(0.4)%**
Ordinary Share price	**(8.0)%**
Portfolio	**0.5%**
MSCI UK Quarterly Property Universe	**0.9%**
FTSE All-Share Index	**13.0%**

	Half year ended 30 June 2019	Year ended 31 December 2018	% change
Capital Values			
Total assets less current liabilities (£'000)	**1,400,346**	1,427,310	(1.9)
Net asset value per share	**136.3p**	139.8p	(2.5)
Ordinary Share price	**111.8p**	124.6p	(10.3)
FTSE All-Share Index	**4,056.88**	3,675.06	10.4
Discount to net asset value per share*	**(18.0)%**	(10.9)%	
Net Gearing*	**20.4%**	21.2%	

	Half year ended 30 June 2019	Half year ended 30 June 2018
Earnings and Dividends		
Earnings per Ordinary Share	**(0.4)p**	5.0p
Dividends per Ordinary Share	**3.0p**	3.0p
Annualised dividend yield*	**5.4%**	4.0%

Sources: BMO Investment Business, MSCI Inc and Refinitiv Eikon.

* See Alternative Performance Measures on page 30.

Chairman's Statement

For the Six Months Ended 30 June 2019

Martin Moore,
Chairman

Performance for the Period

The first six months of 2019 has seen continued uncertainty surrounding commercial property markets in the UK, with the trading environment for retailers and the potential impact of Brexit causing particular concern. This has been challenging for the listed real estate sector with many of the large cap companies trading at significant discounts to their Net Asset Values ('NAV's). Against this backdrop, the Company's share price total return to shareholders over the six-months to 30 June 2019 was (8.0) per cent. The share price at the period-end was 111.8p, representing a discount of 18.0 per cent to the NAV per share of 136.3p.

The NAV total return over the six months was (0.4) per cent. The following table provides an analysis of the movement in the NAV per share for the period:

	Pence
NAV per share as at 31 December 2018	139.8
Unrealised decrease in valuation of direct property portfolio	(2.9)
Other net revenue	2.4
Dividends paid	(3.0)
NAV per share as at 30 June 2019	**136.3**

The total return from the underlying portfolio was 0.5 per cent, compared with a total return of 0.9 per cent from the MSCI Quarterly Property Universe. The Income return from the portfolio over the period was 2.1 per cent, offset by negative capital returns of (1.7) per cent. Unsurprisingly the weakest sector in the MSCI Quarterly Universe was retail with the strongest returns again coming from industrials, driven by rental growth and further modest yield compression.

One of our priorities has been the selective disposal of assets which were felt to have limited future growth prospects and we were delighted to complete the sales of Thames Valley Park 1, Thames Valley Park 2 and Building A, Watchmoor Park, Camberley during the period. We will look to recycle some of this capital into a number of the advanced asset management opportunities the Manager is currently working on and where we expect the outcomes will deliver sustainable, long-term income and support future fund performance.

Another current priority is to replace the income lost or at risk at both Newbury Retail Park in Newbury and Sears Retail Park in Solihull. We have already completed a large letting to Lidl at Newbury for a 25 year lease with a break option at year 20. Beyond this, there are significant ongoing negotiations at both Parks and we hope to report on these at a later date.

St. Christopher's Place continues to enjoy strong occupier demand although this popular West End estate has not been immune to the current challenges facing the retail sector and we expect rental growth may be muted here in the short-term.

Borrowings

The Group's available borrowings comprise a £260 million term loan with Legal & General Pensions Limited, maturing on 31 December 2024 and a

£50 million term loan facility and an undrawn £50 million revolving credit facility, both with Barclays and available until June 2021. The Group's net gearing was 20.4 per cent at the end of the period and the weighted average interest rate on total current borrowings is 3.3 per cent.

Dividends and Dividend Cover

Monthly interim dividends of 0.5p per share continued during the period, maintaining the annual dividend of 6.0p per share paid since 2006 and providing a dividend yield of 5.4 per cent based on the period-end share price. Barring unforeseen circumstances, your Board intends that dividends will continue to be paid monthly at the same rate.

The Company's level of dividend cover for the period was 81.7 per cent, slightly higher than the equivalent period last year (79.2 per cent). There has been a small fall in rental income compared with the same period last year due to the sale of the property at Thames Valley Park 2 and to the loss of income at Solihull and Newbury. This was more than compensated for by a fall in the level of taxation payable and a reduction in expenses, where a one-off surrender premium was paid in 2018.

REIT Conversion

Shareholders voted in favour of the REIT proposals at an extraordinary general meeting held on 30 May 2019 and the Group entered the UK REIT regime on 3 June 2019. The adoption of REIT status by the Group will alter the shareholders' tax positions in respect of the receipt of distributions under the REIT regime, as the majority of the distributions from the Company will be property income distributions. The first distribution that the Company will make under the REIT regime will relate to profits earned from June 2019. The amount and payment date of such property income distribution will be announced in October 2019.

One Cathedral Square, Bristol

Board Composition

Having served nine years on the Board, Chris Russell stepped down as Chairman of the Company and retired from the Board at the annual general meeting on 30 May 2019. I became Chairman from that date and Paul Marcuse took on the role of Senior Independent Director. Chris joined the Board in 2009 and became Chairman in 2011. He excelled in this role and I would like to thank him for his significant contribution and leadership over the years.

Following the approval of the REIT conversion proposals, Peter Cornell and David Preston, both Guernsey directors, also stood down from the

Board with effect from 30 May 2019. I'd like to thank them too, at the same time welcoming Linda Wilding. Linda is UK based and joined the Board on 3 June 2019.

Following these changes, the Board now consists of five Directors, three male and two female, four of whom are based in the UK and one in Guernsey.

Outlook

The property market continues to deliver positive total return, but the pace has slowed and investment activity has weakened. The market is likely to encounter continued headwinds related to Brexit and its political and economic ramifications. Slower economic growth and political uncertainties internationally are also affecting sentiment. However, post Brexit, if there is some easing in fiscal policy and interest rates are kept low, as the market expects, then this should provide some support for property, particularly from investors seeking a higher-yielding alternative to gilts.

Total returns are expected to be low single-digit and will be driven by income, with well-specified and well-let assets in established locations likely to out-perform.

Notwithstanding the short-term pressures in the retail sector, the Company has a well-positioned and resilient portfolio with exciting opportunities across many sectors to add value and deliver sustainable long-term rental income. Our efforts continue to be focused on delivering these over the months ahead.

Martin Moore
Chairman

16 September 2019

Managers' Review

Richard Kirby,
Fund Manager

Matthew Howard,
Deputy Fund Manager

Property highlights over the period

- Six-month total return of 0.5 per cent versus the MSCI UK Quarterly Property Universe ('MSCI') return of 0.9 per cent.
- Completed the sales of Thames Valley Park 1 & 2 and Watchmoor Park Building A, as part of the strategic office sales programme.
- Signed new lease agreements to Lidl and Hobbycraft at Newbury Retail Park and made good progress in attracting new retailers to both Newbury and Solihull retail parks.
- Completed the lease to Shore Capital who took the 4th and 5th floors at Cassini House, London SW1.

Property Market Review

The market total return for the six months to 30 June 2019, as measured by the MSCI UK Quarterly Property Universe ('MSCI') was 0.9 per cent. Returns, although positive, are moderating, with capital values falling by 1.3 per cent and income returns of 2.2 per cent. Rental growth was (0.2) per cent at the all-property level, although the fall was largely attributable to problems in the retail market, where rents fell by 1.9 per cent.

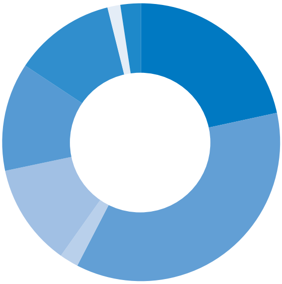
Key Benchmark Metrics – All-Property		
	Jan-June 2019 %	Jan-June 2018 %
Total Returns	0.9	3.7
Income Return	2.2	2.2
Capital Growth	(1.3)	1.5
Open Market Rental Value Growth	(0.2)	0.5
Initial Yield	4.6	4.5
Equivalent Yield	5.5	5.5

Source: MSCI Inc

Performance was led by a 3.4 per cent total return for industrials. Alternatives (such as hotels and student accommodation) delivered 2.6 per cent, with offices returning 2.1 per cent and retail the weakest sector at (2.4) per cent.

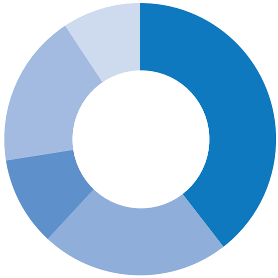
The UK economy saw modest growth over the period. Monetary policy and interest rates were unchanged although gilt yields continued to fall, finishing the period below 1.0 per cent. Investor sentiment was affected by growing political uncertainty involving the lack of agreement in Brexit negotiations, which looks set to continue as we enter the autumn. The weakening in global growth prospects and the advance of protectionism globally are also areas of concern. This uncertainty has caused a sharp drop in investment activity across all sectors. Net investment from overseas buyers was still positive, demonstrating the continued attraction of UK commercial real estate. Local authorities were also net purchasers of property, whilst institutions were marginal net sellers during the period, as were listed and unlisted property companies.

Geographical Analysis
as at 30 June 2019, % of total property portfolio



Source: BMO REP Asset Management plc

Sector Analysis
as at 30 June 2019, % of total property portfolio



Source: BMO REP Asset Management plc

CBRE market data showed yields moving higher across most parts of the retail market, with office and industrial yields broadly stable. There was some yield compression in the alternatives space, notably for student accommodation, and for properties secured on long leases with inflation linked uplifts, where investor appetite remains strong. The all-property initial yield moved higher during the period, leading to some widening in the yield gap between property and ten-year gilts. Property, measured on this basis, looks fairly priced in relation to the average margin over the longer-term.

The occupational market has been less affected, but not immune, to the political and economic climate. Offices saw 0.5 per cent rental growth and industrials 1.4 per cent in the six-month period. Occupiers most affected appear to be large multi-national corporates with pan-European presence who are generally waiting until after Brexit before making any long-term strategic decisions.

The structural problems and challenges in the retail sector have continued. Although central London shops delivered a positive total return, performance has slipped compared with the same period a year ago. Most other parts of the retail market recorded a negative total return, with shopping centres and retail warehousing being particularly weak. The central London office market has remained resilient despite Brexit uncertainty, with higher than average occupancy rates and continued rental growth. Overall, property performance was driven by the strength in the industrials market with both distribution warehousing and standard industrials outperforming the all-property average.

Valuation and Portfolio

The total return from the portfolio over the period was 0.5 per cent compared with the MSCI return of 0.9 per cent. The Company's underperformance at portfolio level over the period has been driven by valuation movements of the two large retail

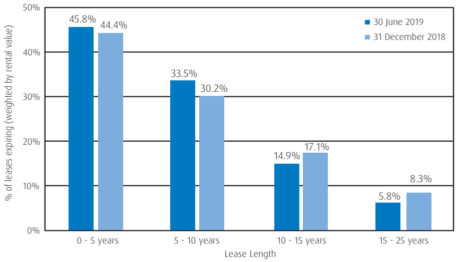
Total Portfolio Performance

	30 June 2019	Year ended 31 December 2018
No of properties	36	38
Valuation (£'000)	1,383,125	1,430,190
Average Lot Size (£'m)	38.4	37.6
Six months to 30 June 2019	Portfolio (%)	MSCI (%)
Portfolio Capital Return*	(1.7)	(1.3)
Portfolio Income Return*	2.1	2.2
Portfolio Total Return*	**0.5**	**0.9**

Source: BMO REP Asset Management plc, MSCI Inc
*See Alternative Performance Measures on page 30

Lease Expiry Profile

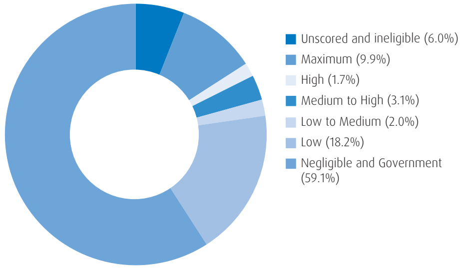
At 30 June 2019 the weighted average lease length for the portfolio, assuming all break options are exercised, was 6.8 years



Source: BMO REP Asset Management plc

Covenant Strength

as at 30 June 2019, % of income by risk band



Source: IRIS Report, MSCI Inc

warehouse parks, with the valuation of Newbury falling by 10.2 per cent and Solihull falling by 2.2 per cent. Despite the challenges faced in the sector the portfolio's retail total return outperformed MSCI which was helped by the fact that the Company doesn't hold any shopping centres which was the weakest performing retail sub-sector.

The office portfolio also outperformed MSCI with a 2.3 per cent total return versus 2.1 per cent, although industrials were lower at 1.3 per cent versus 3.4 per cent, predominantly owing to a relatively quiet period of asset management.

Income Analysis

The portfolio continues to benefit from a resilient and secure income stream. We have reduced the void rate to 5.0 per cent (31 December 2018: 8.5 per cent) through a combination of asset management initiatives, such as the letting of two floors at Cassini House, London and the sale of non-core assets which were largely vacant. Other opportunities are in hand to reduce the void level further.

Retail

It has been a busy period for the Company with a number of significant retail leases either completed or in negotiation. The challenges faced by UK retailers have been well documented and the Company experienced a concentrated period of defaults or Company Voluntary Arrangements (CVAs) on its two large retail parks (Newbury and Solihull) during the middle part of 2018.

Newbury

We have recently completed an important letting on the retail park to Lidl, who signed an agreement for a 25-year lease with CPI linked reviews (break at year 20) at a rent equating to £23.00 per square foot to occupy the majority of the former Homebase unit. Landlord works have commenced, and Lidl are expected to open for trade in early 2020. This follows the letting to Hobbycraft at Unit 8A (£215,578 per annum for 10 years) replacing Poundworld, who went into administration last year. We are also close to exchanging an agreement with another large retailer to occupy part of the former Mothercare store. These lettings demonstrate the resilience of the park and its attractiveness to retailers and shoppers alike. There remain two small units to let at the park and we hope to put these under offer shortly.

Solihull

We are now under offer to a major UK retailer to occupy the former Homebase store and hope to exchange a conditional agreement for lease shortly. The store was vacated in February 2019 and can still require significant capital-investment in return for a long lease commitment. The new store will be transformational for the park and, like Newbury, demonstrates that quality assets will attract desirable retailers for whom physical real estate remains a key part of their long-term sales strategy.

St Christopher's Place

We believe that the long-term future of physical retail lies in experience led "destination" retailing, be that food and beverage (F&B) or traditional retailing. This is core to the strategy for St Christopher's Place, which is the principal F&B destination for the area around the Bond Street/ Oxford Street interchange.

Our asset management strategy for the mixed-use estate continues to deliver income growth through refurbishment, selective re-lettings, and the enhancement of the F&B offer on James Street. The residential element of the estate remains well occupied and progress has been made in letting recently refurbished office space, most notably to Leica Camera Ltd at 6-8 James Street on a 10-year lease.

We have recently exchanged a lease to steak restaurant Flat Iron at 42-44 James Street, starting at £240,000 per annum on a 15-year lease. This follows the lettings to Harry's Bar, Patty & Bun and Bone Daddies which have proved popular since opening.

The estate remains a continuing source of asset management opportunity to protect and enhance income.

There are five initiatives in progress or recently completed, with a further six that could be pursued over the next 12-24 months; a number of these requiring planning permission and redevelopment. We are carefully managing the timing of projects to ensure they are delivered to market at the optimum time to capture the most attractive lease terms possible. We are supportive of the ongoing works being considered by the New West End Company to enhance the pedestrian experience on and surrounding Oxford Street and are optimistic about the benefits following the opening of the Bond Street Elizabeth Line station (Crossrail), currently scheduled for late 2020 / early 2021.

Offices

There has been progress and success with the strategic sales program to dispose of non-income producing assets with challenging re-letting prospects. The largest of these, Thames Valley Park One and Thames Valley Park Two, exchanged in December 2018 and completed in January 2019 at a combined sale price of £24.5 million. This sale alone removed 103,900 sq. ft. of vacant office space from the portfolio, which would have required around £8 million of reinvestment to undertake refurbishment. We prefer to focus capital expenditure on opportunities that provide greater prospects of success for the Company. In April, Building A, Watchmoor Park, Camberley, sold for a net price of £3.94 million following the sale of Building B last year.

In March, two more floors at the recently refurbished Cassini House, London SW1 were let. Shore Capital took the 4th and 5th floors at a headline rent of £105 per sq. ft. for 10 years (with a tenant break option at the end of year 5). The letting was in line with the valuers estimated rental value (ERV) and has had an accretive impact on valuation. There is a strong level of occupier interest in the remaining un-let floor and this will complete the leasing program for the asset.

We have signed two new tenants at Building C, Watchmoor Park in Camberley in advance of Novartis vacating the building in 2020. The new rents achieved are at a headline of £22.50 per sq. ft., reflecting a significant uplift from the current passing rent of £14.00 per sq. ft. At Edinburgh Park, Diageo have now taken possession of their new Scottish headquarters at Ness & Nevis House following a significant £6.5m refurbishment by the Company. Diageo are currently fitting out their offices and aim to start operating from the building in November 2019 on a 16-year lease (break at year

10) at a rent of £21.00 per square foot. Over the summer, we have also let two further floors at 7 Birchin Lane, EC3, where all office accommodation is now fully occupied at the time of writing. The 5-yearly rent reviews of all properties at Prime Four in Aberdeen have completed at 3 per cent per annum compounded.

Industrial and Logistics

The Company's industrial portfolio is characterised by secure single-let logistics assets. Owing to the stable nature of the income, no major lease events occurred over the period.

Last year we acquired Hurricane 47, Estuary Business Park, Liverpool (a 47,500 sq. ft. logistics unit) for £3.995 million and are in advance discussions with a number of potential occupiers at rents that exceed the original underwrite. The purchase also included an adjoining 3.6-acre site for £1.080 million with the Company entering into an agreement to fund a second warehouse for an additional sum of £3.382 million. Works are likely to start on this in the second half of 2019 with completion in 2020.

The industrial market continues to see solid rental growth for existing quality assets and this was demonstrated by the recent rent review to Syncreon at 6A Hams Hall, which we settled at £6.25 per sq. ft. reflecting a notable uplift from the previous passing rent of £5.57 per sq. ft.

In July 2019, we successfully completed the sale of phase 1 of the former Ozalid Works site in Colchester to Persimmon Homes which had been conditional upon them securing a revised planning consent and agreeing the 'Section 106' obligations. The sale of phase 2 will now complete in July 2020, exactly 12 months after the sale of phase 1, which is an excellent result for the Company, allowing us to dispose of an obsolete light-industrial park for above valuation. We can now focus our resources on the neighbouring Cowdray Centre Trade Park, where we have recently submitted a planning application to construct a new terrace of trade units.

82 King Street, Manchester

The Alternative Property Sector

Following the re-classification of sector weightings at the end of 2018 (as highlighted in the 2018 Annual Report) the Company's weighting to alternatives is c. 9 per cent. The Company's exposure relates to the purpose-built student accommodation block in Winchester, the residential properties within St Christopher's Place, and the leisure units at Wimbledon Broadway, which comprise an Odeon Cinema and Nuffield Health gym. The student accommodation block continues to perform well, driven by the annual RPI-linked rent reviews.

Outlook

Investment volumes have fallen by almost 50 per cent in the first half of 2019 compared to the same period last year, following the uncertainty that crept in at the end of 2018. The second half of 2019 looks set to be dominated by the potential economic and political ramifications surrounding Brexit as well as the nervousness around retail assets. Retail values have fallen steadily over the past three quarters, and we expect this to continue throughout 2019 and 2020 as rents are rebased, yields find their new longer-term discounts and occupier woes continue for many. The rise of the CVA has had a lasting effect on the risk adjusted returns required from retail assets and unless the Insolvency Act revises how CVA's can be applied this is unlikely to change. Therefore, the importance of quality core assets cannot be underestimated.

Despite the drop off in activity, values in all sectors except for retail have held up relatively well, particularly at the prime end of the market. Yields for secondary and tertiary assets have moved out marginally after the highly bullish market of early 2018.

There may be a 'bounce' in investment and letting activity following Brexit, but values are likely to remain high compared to long-term levels and we consider it unlikely for pricing to increase significantly. Lending remains constrained the expected pressure on commercial property yields from future increases in interest rates is likely to curtail any medium-term capital growth.

UK commercial real estate is expected to produce positive returns, but the performance will remain muted in the short to medium term compared to long-term values and retail will be a notable drag. Despite this, UK commercial property will likely continue to offer an attractive level of income and the opportunities offered by demographic and technological change will increase in significance as the economy adapts to the post-Brexit world.

The Company continues to look at quality assets in the industrial, alternative and regional office sectors and remains focused on long-term value creation, but will remain highly selective until we see better value in the market. The current uncertain economic and political climate serves to reinforce the Manager's strategy of investing resource and capital into the existing assets; to protect, enhance and sustain income for the longer term. We have enjoyed recent success with many more opportunities to pursue over the coming months.

Richard Kirby and Matthew Howard

Fund Managers

BMO REP Asset Management plc

16 September 2019

Responsible Property Investment

Highlights for the six-month period to 30 June 2019

The Company has continued to advance the implementation of its Responsible Property Investment ('RPI') Strategy over the period with material progress being made in a number of key areas.

- Achieved an overall score of 68 in the 2019 GRESB (Global Real Estate Sustainability Benchmark) survey, the 21-point improvement representing a 44.7% increase over the previous year's count and enabling the Company to obtain two green star status.
- Compared with the six-month period to 30 June 2018, the Company has realised:
  - 0.4% reduction in like-for-like energy consumption
  - 14.7% reduction in absolute energy consumption
  - 5.7% like-for-like reduction in carbon emissions
  - 20% absolute reduction in carbon emissions
  - 6kWhe/m2 reduction in energy intensity
  - 1% reduction in like-for-like water consumption
  - 11% reduction in absolute water consumption
  - 0.04m3/m2 reduction in water intensity
- Launched a major exercise to assess the exposure of the portfolio to physical climate risks through scenario-based analysis.
- The Company attained an A rating in the GRESB Public Disclosure assessment representing the highest level of transparency for disclosure of ESG related information.
- Following submission to the minimum tier of the CDP climate change module in 2018, the Company submitted to the full tier in 2019 and expects to receive a rating by the end of this calendar year.

A considerable degree of reduction in absolute energy consumption and associated carbon emissions has been realised through the disposal of several property assets. In contrast, the reduction in like-for-like energy consumption has been tempered by increased demand driven by key property refurbishments undertaken by the Company, as well as increased demands on landlord central services from occupiers scaling up operations following occupation. Against a 2016 baseline the reduction in like-for-like energy intensity currently equates to 14%. The Company's Property Manager continues its efforts to identify and implement further energy efficiency opportunities across its directly managed properties. Water consumption reduction and the collection and finessing of waste data remain on target.

The distribution of Energy Performance Certificate (EPC) ratings remains broadly unchanged across the portfolio taking certificate expiry and renewal into account. The number of 'C' rated demises has fallen due to property sales. Using the desktop flood risk assessments undertaken in 2018, the overall flood risk profile of the portfolio has marginally improved on account of property disposals.

The Company continues to monitor its tenant mix as part of its commitment to minimising leasing exposure to organisations connected to the production, storage, distribution or use of Controversial Weapons*. At the period ending 30 June 2019 zero per cent of rental income was attributable to organisations that appear on the exclusion lists managed by BMO Global Asset Management.

* Including cluster munitions, anti-personnel mines and biochemical weapons as covered by the 1972 Biological and Toxic Weapons Convention, the 1997 Chemical Weapons Convention, the 1999 Anti-Personnel Mine Ban Convention, and the 2008 Convention on Cluster Munitions

Property Portfolio

as at 30 June 2019

Property	Sector
Properties valued in excess of £200 million	
London W1, St. Christopher's Place Estate (footnote 2 and 3)	Retail/Office/Alternative*
Properties valued between £100 million and £150 million	
London SW1, Cassini House, St James's Street	Office
Properties valued between £50 million and £70 million	
Newbury, Newbury Retail Park	Retail Warehouse
Solihull, Sears Retail Park	Retail Warehouse
London SW19, Wimbledon Broadway	Retail/Alternative**
Properties valued between £40 million and £50 million	
Crawley, The Leonardo Building, Manor Royal	Office
Winchester, Burma Road	Alternative
Manchester, 82 King Street	Office
Properties valued between £30 million and £40 million	
Uxbridge, 3 The Square, Stockley Park	Office
Aberdeen, Unit 1 Prime Four Business Park, Kingswells	Office
Aberdeen, Unit 2 Prime Four Business Park, Kingswells	Office
Rochdale, Dane Street	Retail
Chorley, Units 6 & 8 Revolution Park	Industrial
Daventry, Site E4, Daventry International Rail Freight Terminal	Industrial
Bristol, One Cathedral Square (footnote 1)	Office
Birmingham, Unit 8 Hams Hall Distribution Park	Industrial
Liverpool, Unit 1, G. Park, Portal Way	Industrial
Properties valued between £20 million and £30 million	
Glasgow, Alhambra House, Wellington Street	Office
Aberdeen, Unit 3 Prime Four Business Park, Kingswells	Office
East Kilbride, Mavor Avenue	Retail Warehouse
Birmingham, Unit 10a Hams Hall Distribution Park	Industrial
London SW1, 2/4 King Street	Office
London W1, 17a Curzon Street	Office
London EC3, 7 Birchin Lane	Office
Properties valued between £10 million and £20 million	
London W1, 16 Conduit Street (footnote 1)	Retail
Camberley, Watchmoor Park, Building C	Office
Colchester, The Cowdray Centre, Cowdray Avenue	Industrial
Liverpool, Unit 1 The Hive, Estuary Business Park (footnote 1)	Industrial
Birmingham, Unit 6a Hams Hall Distribution Park	Industrial
Southampton, Upper Northam Road, Hedge End	Industrial
Colchester, Ozalid Works, Cowdray Avenue	Industrial
Camberley, Affinity Point, Glebeland Road	Industrial
Edinburgh, Nevis/Ness Houses, 11/12 Lochside Place	Office
Properties valued under £10 million	
Solihull, Oakenham Road	Retail Warehouse
Aberdeen, Unit 4 Prime Four Business Park, Kingswells	Office
Liverpool, Unit 2 & 4 The Hive, Estuary Business Park (footnote 1)	Industrial

Notes:
1 Leasehold property.
2 Mixed freehold/leasehold property.
3 For the purpose of the Company's Investment policy, St. Christopher's Place Estate is treated as more than one property.
* Mixed use property of retail, office and residential space.
** Mixed use property of retail and leisure.

Statement of Principal Risks and Uncertainties

The Company's assets comprise mainly of direct investments in UK commercial property. Its principal risks are therefore related to the commercial property market in general. Other risks faced by the Company include market, geopolitical, investment and strategic, regulatory, environmental, taxation, management and control, operational, and financial risks. The Company is also exposed to risks in relation to its financial instruments. These risks, and the way in which they are managed, are described in more detail under the heading 'Principal Risks and Risk Management' within the Business Model and Strategy in the Company's Annual Report for the year ended 31 December 2018. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Company's financial year.

Statement of Directors' Responsibilities in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed set of consolidated financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union;
- the Chairman's Statement and Managers' Review (together constituting the Interim Management Report) together with the Statement of Principal Risks and Uncertainties above include a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated financial statements; and
- the Chairman's Statement together with the condensed set of consolidated financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

Martin Moore
Director

16 September 2019

Independent Review Report

Independent Review Report to BMO Commercial Property Trust Limited

Our conclusion

We have reviewed the accompanying condensed consolidated interim financial information of BMO Commercial Property Trust Limited (the "Company") and its subsidiaries (together the "Group") as of 30 June 2019. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The accompanying condensed consolidated interim financial information comprise:

- the condensed consolidated balance sheet as of 30 June 2019;
- the condensed consolidated statement of comprehensive income for the six-month period then ended;
- the condensed consolidated statement of changes in equity for the six-month period then ended;
- the condensed consolidated statement of cash flows for the six-month period then ended; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibilities and those of the Directors

The Directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands

16 September 2019

The maintenance and integrity of the Company website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Condensed Consolidated Statement of **Comprehensive Income**

Notes	(unaudited) for six months ended 30 June 2019	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018* £'000
	Revenue			
	Rental Income	31,938	32,638	64,903
	Other Income	–	–	1,483
	Total revenue	31,938	32,638	66,386
	Gains/(losses) on investment properties			
5	Unrealised (losses)/gains on revaluation of investment properties	(22,593)	20,971	(6,171)
5	(Loss)/gain on sale of investment properties realised	(316)	–	2,613
	Total income	9,029	53,609	62,828
	Expenditure			
	Investment management fee	(3,716)	(3,876)	(7,823)
3	Other expenses	(3,214)	(3,461)	(6,191)
	Total expenditure	(6,930)	(7,337)	(14,014)
	Operating profit before finance costs and taxation	2,099	46,272	48,814
	Net finance costs			
	Interest receivable	1	6	6
	Finance costs	(5,445)	(5,450)	(10,912)
		(5,444)	(5,444)	(10,906)
	(Loss)/profit before taxation	(3,345)	40,828	37,908
	Taxation	17	(871)	(1,510)
	(Loss)/profit for the period	(3,328)	39,957	36,398
	Other comprehensive income			
	Items that are or may be reclassified subsequently to profit or loss			
	Movement in fair value of effective interest rate swap	(350)	315	362
	Total comprehensive income for the period	(3,678)	40,272	36,760
4	**Basic and diluted earnings per share**	(0.4)p	5.0p	4.6p

All of the profit and total comprehensive income for the period is attributable to the owners of the Group.

All items in the above statement derive from continuing operations.

* these figures are audited.

The accompanying notes on pages 24 to 27 are an integral part of the above statement.

Condensed Consolidated
Balance Sheet

(unaudited) as at 30 June 2019

Notes		30 June 2019 £'000	30 June 2018 £'000	31 December 2018* £'000
	Non-current assets			
5	Investment properties	**1,361,685**	1,429,277	1,384,856
	Trade and other receivables	**20,204**	19,394	19,344
	Interest rate swap	**–**	55	102
		1,381,889	1,448,726	1,404,302
	Current assets			
	Investment properties held for sale	**–**	–	23,562
	Trade and other receivables	**5,979**	5,067	6,630
	Cash and cash equivalents	**29,954**	19,933	10,127
		35,933	25,000	40,319
	Total assets	**1,417,822**	1,473,726	1,444,621
	Current liabilities			
	Trade and other payables	**(17,389)**	(17,608)	(16,282)
	Taxation payable	**(87)**	(1,384)	(1,029)
		(17,476)	(18,992)	(17,311)
	Non-current liabilities			
	Trade and other payables	**(2,118)**	(1,947)	(1,847)
	Interest-bearing loans	**(308,191)**	(307,846)	(308,015)
	Interest rate swap	**(248)**	–	–
		(310,557)	(309,793)	(309,862)
	Total liabilities	**(328,033)**	(328,785)	(327,173)
	Net assets	**1,089,789**	1,144,941	1,117,448
	Represented by:			
6	Share capital	**7,994**	7,994	7,994
	Special reserves	**589,593**	589,593	589,593
	Capital reserves	**389,036**	436,474	411,945
	Hedging reserve	**(248)**	55	102
	Revenue reserve	**103,414**	110,825	107,814
	Equity shareholders' funds	**1,089,789**	1,144,941	1,117,448
7	**Net asset value per share**	**136.3p**	143.2p	139.8p

* these figures are audited.

The accompanying notes on pages 24 to 27 are an integral part of the above statement.

Condensed Consolidated Statement of **Changes in Equity**

Notes	(unaudited) for six months ended 30 June 2019	Share Capital £'000	Special Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
	At 1 January 2019	7,994	589,593	411,945	102	107,814	1,117,448
	Total comprehensive income for the period						
	Loss for the period	–	–	–	–	(3,328)	(3,328)
	Movement in fair value of interest rate swap	–	–	–	(350)	–	(350)
5	Transfer in respect of unrealised losses on Investment properties	–	–	(22,593)	–	22,593	–
5	Loss on sale of investment properties realised	–	–	(316)	–	316	–
	Total comprehensive income for the period	**–**	**–**	**(22,909)**	**(350)**	**19,581**	**(3,678)**
	Transactions with owners of the Company recognised directly in equity						
2	Dividends paid	–	–	–	–	(23,981)	(23,981)
	At 30 June 2019	**7,994**	**589,593**	**389,036**	**(248)**	**103,414**	**1,089,789**

Notes	(unaudited) for six months ended 30 June 2018	Share Capital £'000	Special Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
	At 1 January 2018	7,994	589,593	415,503	(260)	115,820	1,128,650
	Total comprehensive income for the period						
	Profit for the period	–	–	–	–	39,957	39,957
	Movement in fair value of interest rate swap	–	–	–	315	–	315
5	Transfer in respect of unrealised gains on Investment properties	–	–	20,971	–	(20,971)	–
	Total comprehensive income for the period	**–**	**–**	**20,971**	**315**	**18,986**	**40,272**
	Transactions with owners of the Company recognised directly in equity						
2	Dividends paid	–	–	–	–	(23,981)	(23,981)
	At 30 June 2018	**7,994**	**589,593**	**436,474**	**55**	**110,825**	**1,144,941**

The accompanying notes on pages 24 to 27 are an integral part of the above statement.

Condensed Consolidated Statement of **Changes in Equity**

Notes	(audited) for the year to 31 December 2018	Share Capital £'000	Special Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
	At 1 January 2018	7,994	589,593	415,503	(260)	115,820	1,128,650
	Total comprehensive income for the year						
	Profit for the year	–	–	–	–	36,398	36,398
	Movement in fair value of interest rate swap	–	–	–	362	–	362
5	Transfer in respect of unrealised losses on investment properties	–	–	(6,171)	–	6,171	–
5	Gains on sale of investment properties realised	–	–	2,613	–	(2,613)	–
	Total comprehensive income for the year	**–**	**–**	**(3,558)**	**362**	**39,956**	**36,760**
	Transactions with owners of the Company recognised directly in equity						
2	Dividends paid	–	–	–	–	(47,962)	(47,962)
	At 31 December 2018	**7,994**	**589,593**	**411,945**	**102**	**107,814**	**1,117,448**

The accompanying notes on pages 24 to 27 are an integral part of the above statement.

Condensed Consolidated Statement of **Cash Flows**

Notes	(unaudited) for six months ended 30 June 2019	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018* £'000
	Cash flows from operating activities			
	(Loss)/profit for the period before taxation	**(3,345)**	40,828	37,908
	Adjustments for:			
	Finance costs	**5,445**	5,450	10,912
	Interest receivable	**(1)**	(6)	(6)
5	Unrealised losses/(gains) on revaluation of investment properties	**22,593**	(20,971)	6,171
5	Losses/(gains) on sale of investment properties realised	**316**	–	(2,613)
	Increase in operating trade and other receivables	**(260)**	(490)	(2,054)
	Decrease/(increase) in operating trade and other payables	**1,393**	(872)	(2,317)
	Cash generated from operations	**26,141**	23,939	48,001
	Interest received	**1**	6	6
	Interest and bank fees paid	**(5,320)**	(5,303)	(10,551)
	Taxation paid	**(918)**	(227)	(1,220)
		(6,237)	(5,524)	(11,765)
	Net cash inflow from operating activities	**19,904**	18,415	36,236
	Cash flows from investing activities			
	Sale of investment properties	**28,440**	–	5,100
5	Purchase of investment properties	**–**	(5,777)	(5,754)
5	Capital expenditure of investment properties	**(4,536)**	(3,880)	(12,649)
	Net cash inflow/(outflow) from investing activities	**23,904**	(9,657)	(13,303)
	Cash flows from financing activities			
2	Dividends paid	**(23,981)**	(23,981)	(47,962)
	Net cash outflow from financing activities	**(23,981)**	(23,981)	(47,962)
	Net increase/(decrease) in cash and cash equivalents	**19,827**	(15,223)	(25,029)
	Opening cash and cash equivalents	**10,127**	35,156	35,156
	Closing cash and cash equivalents	**29,954**	19,933	10,127

* these figures are audited.

The accompanying notes on pages 24 to 27 are an integral part of the above statement.

Unaudited Notes on the Condensed Accounts

1 General information and basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority and IAS 34 'Interim Financial Reporting'. The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2018, which were prepared under full IFRS as adopted by the European Union requirements. The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those of the consolidated financial statements of the Group for the year ended 31 December 2018. The Group's entry to UK REIT Regime was effective from 3 June 2019. The Group's rental profits arising from both income and capital gains are exempt from UK corporation tax from that date, subject to the Group's continuing compliance with the UK REIT rules. These condensed interim financial statements have been reviewed, not audited.

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the next twelve months. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Group, forecast rental income and other forecast cash flows. The Group has agreements relating to its borrowing facilities with which it has complied during the period. Based on the information the Directors believe that the Group has the ability to meet its financial obligations as they fall due for the foreseeable future, which is considered to be for a period of at least twelve months from the date of approval of the financial statements. For this reason they continue to adopt the going concern basis in preparing the accounts.

These condensed interim financial statements were approved for issue on 16 September 2019.

2. Dividends

	Six months to 30 June 2019 £'000	Six months to 30 June 2019 £'000	Year to 31 December 2018 £'000
In respect of the previous period:			
Ninth interim dividend (0.5p per share)	**3,997**	3,997	3,997
Tenth interim dividend (0.5p per share)	**3,997**	3,997	3,997
Eleventh interim dividend (0.5p per share)	**3,996**	3,996	3,996
Twelfth interim dividend (0.5p per share)	**3,997**	3,997	3,997
In respect of the period under review:			
First interim dividend (0.5p per share)	**3,997**	3,997	3,997
Second interim dividend (0.5p per share)	**3,997**	3,997	3,997
Third interim dividend (0.5p per share)	**–**	–	3,996
Fourth interim dividend (0.5p per share)	**–**	–	3,997
Fifth interim dividend (0.5p per share)	**–**	–	3,997
Sixth interim dividend (0.5p per share)	**–**	–	3,997
Seventh interim dividend (0.5p per share)	**–**	–	3,997
Eighth interim dividend (0.5p per share)	**–**	–	3,997
	23,981	23,981	47,962

Dividends paid/announced subsequent to the period end were:

	Record date	**Payment date**	**Rate (pence)**
Third interim dividend	12 July 2019	31 July 2019	0.5
Fourth interim dividend	9 August 2019	30 August 2019	0.5
Fifth interim dividend	13 September 2019	30 September 2019	0.5

Although these payments relate to the period ended 30 June 2019, under IFRS they will be accounted for in the period during which they are declared.

Barring unforeseen circumstances, it is the Directors' intention that the Company will continue to pay dividends monthly.

3. Other expenses

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
Direct operating expenses of rental property	2,114	2,069	4,017
Surrender premium	–	613	613
Valuation and other professional fees	243	207	399
Professional fees for REIT conversion	314	–	–
Directors' fees	166	145	302
Administration fee	76	74	151
Depositary fee	80	86	172
Other	221	267	537
	3,214	3,461	6,191

The basis of payment for the Directors' and investment management fees are detailed within the consolidated financial statements of the Group for the year ended 31 December 2018.

4. Earnings per share

	Six months to 30 June 2019	Six months to 30 June 2018	Year to 31 December 2018
Net (loss)/profit attributable to ordinary shareholders (£'000)	(3,328)	39,957	36,398
Return per share – pence	(0.4)p	5.0p	4.6p
Weighted average of ordinary shares in issue during period	799,366,108	799,366,108	799,366,108

Earnings for the six months to 30 June 2019 should not be taken as guide to the results for the year to 31 December 2019.

5. Investment properties

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
Non-current assets - Investment properties			
Freehold and leasehold properties			
Opening fair value	1,384,856	1,398,894	1,398,894
Sales - proceeds	(3,940)	–	(5,100)
- loss on sale	(4,705)	–	(5,355)
Capital expenditure	4,616	3,880	12,649
Purchase of investment properties	–	5,532	5,533
Unrealised losses realised during the period	3,451	–	7,968
Unrealised gains on investment properties	7,254	31,353	37,468
Unrealised losses on investment properties	(29,847)	(10,382)	(43,639)
Transfer to asset classified as held for sale	–	–	(23,562)
Closing fair value	1,361,685	1,429,277	1,384,856
Historic cost at the end of the period	947,145	999,866	951,155
Current assets - Investment properties held for sale			
Freehold properties			
Opening fair value	23,562	–	–
Sales - proceeds	(24,500)	–	–
- loss on sale	(22,507)	–	–
Unrealised losses realised during the period	23,445	–	–
Closing fair value of properties held for sale	–	–	23,562
Historic cost at the end of the period	–	–	47,026

5. Investment properties (continued)

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
Losses on sale	(27,212)	–	(5,355)
Unrealised losses realised during the period	26,896	–	7,968
(Losses) / gains on sales of investment properties realised	**(316)**	–	2,613

The fair value of investment properties reconciled to the appraised value as follows:

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
Appraised value prepared by CBRE excluding asset classified as held for sale	1,383,125	1,450,035	1,405,790
Lease incentives held as debtors	(21,440)	(20,758)	(20,934)
Closing fair value	**1,361,685**	1,429,277	1,384,856

The assets classified as held for sale reconciled to the appraised value as follows:

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
Appraised value prepared by CBRE of asset classified as held for sale	–	–	24,400
Lease incentives held as debtors	–	–	(538)
Selling costs of assets held for sale	–	–	(300)
Closing fair value	–	–	23,562

There were no properties held for sale at 30 June 2019 (31 December 2018: 2 properties).

All the Group's investment properties were valued as at 30 June 2019 by RICS Registered Valuers working for CBRE Limited ('CBRE'), commercial real estate advisors, acting in the capacity of a valuation adviser to the AIFM. All such valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors ('RICS').

CBRE completed the valuation of the Group's investment properties at 30 June 2019 on a fair value basis and in accordance with The RICS Valuation – Global Standards 2017.

There were no significant changes to the valuation process, assumptions and techniques used during the period, further details on which were included in note 9 of the consolidated financial statements of the Group for the year ended 31 December 2018.

As at 30 June 2019, all of the Group's properties are Level 3 in the fair value hierarchy as it involves the use of significant unobservable inputs and there were no transfers between levels during the period. Level 3 inputs used in valuing the properties are those which are unobservable, as opposed to Level 1 (inputs from quoted prices) and Level 2 (observable inputs either directly i.e. as priced, or indirectly, i.e. derived from prices).

6. Share capital

	Six months to 30 June 2019 £'000	Six months to 30 June 2018 £'000	Year to 31 December 2018 £'000
Allotted, called-up and fully paid			
799,366,108 Ordinary Shares of 1p each in issue	7,994	7,994	7,994

Under the Company's Articles of Incorporation, the Company may issue an unlimited number of Ordinary Shares. The Company issued nil Ordinary Shares during the period (2018: nil) raising net proceeds of £nil (2018: £nil).

The Company did not repurchase any Ordinary Shares during the period.

7. Net asset value per share

	Six months to 30 June 2019	Six months to 30 June 2018	Year to 31 December 2018
Net asset value per ordinary share – pence	**136.3p**	143.2p	139.8p
Net assets attributable at the period end (£'000)	**1,089,789**	1,144,941	1,117,448
Number of ordinary shares in issue at the period end	**799,366,108**	799,366,108	799,366,108

8. Related party transactions

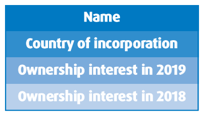
The Directors of the Company received fees for their services and dividends from their shareholdings in the Company. No fees remained payable at the period end.

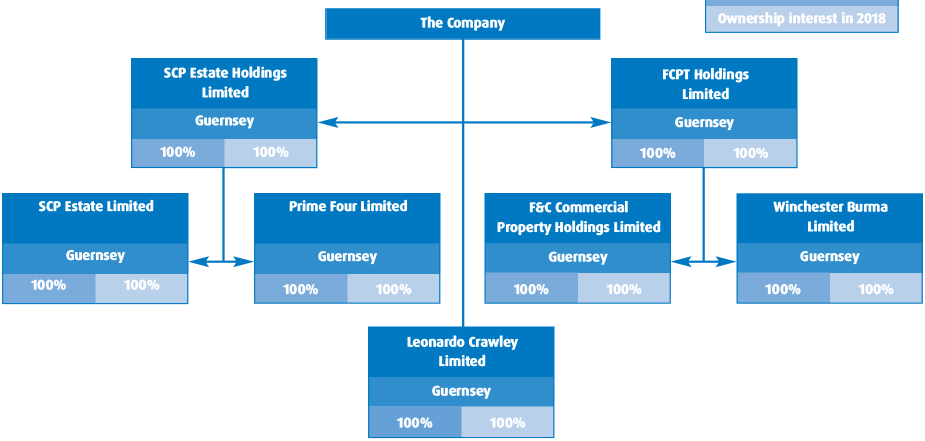
9. Capital commitments

The Group had capital commitments totalling £2,400,000 as at 30 June 2019 (30 June 2018: £10,300,000; 31 December 2018: £3,600,000). These commitments related mainly to contracted development works at the Group's properties at Cassini House, London SW1 and Nevis/Ness Houses, Edinburgh.

10. List of Subsidiaries

Set out below is a list of subsidiaries of the Group.





The results of the above entities are consolidated within the Group financial statements.

11. Subsequent events

On 30 July 2019, the Group completed the sale of phase 1 of the former Ozalid Works site in Colchester to Persimmon Homes for a price of £6.2 million.

12. Forward looking statements

Certain statements in this report are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

Shareholder Information

Dividends

Ordinary dividends are paid monthly. Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Computershare Investor Services (Guernsey) Limited, c/o Hilgrove Street, St. Helier, Jersey JE1 1ES on request. Where dividends are paid directly to shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

Share Price

The Company's Ordinary Shares are listed on the Main Market of the London Stock Exchange. Prices are given daily in the Financial Times under "Investment Companies" and in other newspapers.

Change of Address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to Computershare Investor Services (Guernsey) Limited, c/o Hilgrove Street, St. Helier, Jersey JE1 1ES under the signature of the registered holder.

Shareholder Enquiries

Contact Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands GY1 3QL. Additional information regarding the Company may also be found on its website which is: **bmocommercialproperty.com**

Common reporting standards

Tax legislation requires investment fund companies to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated Shareholders and corporate entities who have purchased shares in investment companies. All new Shareholders, excluding those whose shares are held in CREST, who are entered onto the share register are sent a certification form for the purpose of collecting this information.

Key Information Document

The Key Information Document relating to the Company's shares can be found on its website at **bmocommercialproperty.com**. This document has been produced in accordance with EU's PRIIPs Regulations.

Financial Calendar 2019/2020	
October 2019	Q3 Net Asset Value announcement
January 2020	Q4 Net Asset Value announcement
April 2020	Announcement of annual results
	Posting of Annual Report
June 2020	Annual General Meeting

Warning to Shareholders – Beware of Share Fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you are approached by fraudsters please tell the Financial Conduct Authority ('FCA') by using the share fraud reporting form at **fca.org.uk/scams** where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

How to Invest

One of the most convenient ways to invest in BMO Commercial Property Trust Limited is through one of the savings plans run by BMO.

BMO Investment Trust ISA

You can use your ISA allowance to make an annual tax-efficient investment of up to £20,000 for the 2019/20 tax year with a lump sum from £500 or regular savings from £50 a month per Trust. You can also transfer any existing ISAs to us whilst maintaining the tax benefits

BMO Junior ISA (JISA)*

You can invest up to £4,368 for the tax year 2019/20 from £500 lump sum or £30 a month per Trust, or a combination of both. Please note, if your child already has a Child Trust Fund (CTF), then you cannot open a separate JISA, however you can transfer the existing CTF (held either with BMO or another provider) to a BMO JISA

BMO Child Trust Fund (CTF)*

If your child has a CTF you can invest up to £4,368 for the 2019/20 tax year, from £100 lump sum or £25 a month per Trust, or a combination of both. You can also transfer a CTF from another provider to a BMO CTF. Please note, the CTF has been replaced by the JISA and is only available to investors who already hold a CTF.

BMO General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £500 lump sum or £50 a month per Trust. You can also make additional lump sum top-ups at any time from £250 per Trust.

BMO Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £250 lump sum or £25 a month per Trust. You can also make additional lump sum top-ups at any time from £100 per Trust.

*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.

Charges

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

Annual account charge

ISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

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

Dealing charges

ISA: 0.2%

GIA/JIA/JISA: postal instructions £12, online instructions £8 per Trust.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits for the GIA, JIA and JISA.

There are no dealing charges on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan.

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 disclosures related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment companies you are wanting to invest into.

How to Invest

To open a new BMO plan, apply online at **bmogam.com/apply**

Note, this is not available if you are transferring an existing plan with another provider to BMO, or if you are applying for a new plan in more than one name.

New Customers

Call: **0800 136 420**** (8.30am – 5.30pm, weekdays)

Email: **info@bmogam.com**

Existing Plan Holders

Call: **0345 600 3030**** (9.00am – 5.00pm, weekdays)

Email: **investor.enquiries@bmogam.com**

By post: BMO Administration Centre
PO Box 11114
Chelmsford
CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Alliance Trust Savings, Barclays Stockbrokers, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, LLoyds Bank, Selftrade, The Share Centre**

BMO | A part of BMO Financial Group

BMO Asset Management Limited

Alternative Performance Measures

The Company uses the following Alternative Performance Measures ('APMs'). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. Further details of the APMs methodology are available in the Company's Annual Report for the year ended 31 December 2018.

Discount or Premium – the share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market. If the share price is lower than the NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers than buyers. Shares trading at a price above the NAV per share, are said to be at a premium.

Dividend Cover – The percentage by which Profits for the period (less gains/losses on investment properties) cover the dividend paid.

A reconciliation of dividend cover is shown below:

			30 June 2019 £'000	30 June 2018 £'000
(Loss)/profit for the period			**(3,328)**	39,957
Add back:	Unrealised losses/(gains) on revaluation of investment properties		**22,593**	(20,971)
	Losses on sales of investment properties realised		**316**	–
Profit before investment gains and losses		(a)	**19,581**	18,986
Dividends		(b)	**23,981**	23,981
Dividend Cover percentage (c = a/b)		(c)	**81.7**	79.2

Dividend Yield – The annualised dividend divided by the share price at the period end. An analysis of dividends is contained in note 2 to the accounts.

Net Gearing – Borrowings less cash divided by total assets (less current liabilities and cash).

Portfolio (Property) Capital Return – The change in property value during the period after taking account of property purchases and sales and capital expenditure, calculated on a quarterly time-weighted basis. The calculation is carried out by MSCI Inc.

Portfolio (Property) Income Return – The income derived from a property during the period as a percentage of the property value, taking account of direct property expenditure, calculated on a quarterly time-weighted basis. The calculation is carried out by MSCI Inc.

Portfolio (Property) Total Return – Combining the Portfolio Capital Return and Portfolio Income Return over the period, calculated on a quarterly time-weighted basis. The calculation is carried out by MSCI Inc.

Total Return – The theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets, respectively, on the date on which they were quoted ex-dividend.

Corporate Information

Directors (all non-executive)
Martin Moore (Chairman)*
Trudi Clark #
Paul Marcuse‡
John Wythe†
Linda Wilding (appointed 3 June 2019)

Secretary
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Administration
Services (Guernsey) Limited
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St. Peter Port
Guernsey
Channel Islands GY1 3QL
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0207 628 8000

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London W1H 7JW

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Corey House
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Broker and Financial Adviser
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Depositary
JPMorgan Europe Limited
25 Bank Street
Canary Wharf
London E14 5JP

* Chairman of the Nomination Committee
† Chairman of the Management Engagement Committee
\# Chairman of the Audit Committee
‡ Senior Independent Director

Website
bmocommercialproperty.com

BMO Commercial Property Trust Limited

Interim Report 2019

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