

BMO Commercial Property Trust Limited

Interim Report for the six months
ended 30 June 2020



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 2020 Group total assets less current liabilities were £1,275 million and Group shareholders' funds were £964 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'.

Visit our website at:

bmocommercialproperty.com



Legal Entity Identifier: 213800A2B1H4ULF3K397

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.

Front Cover Photo: 2-4 King Street, London

Headlines

-44.7
per cent

Share price total return*

Share price total return of -44.7 per cent for the period.

-6.7
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.

£50
Million

Extended loan facility

Agreed terms to extend the existing Barclays £50 million term loan and the £50 million revolving credit facility to 31 July 2022, with option of two further one-year extensions.

4.8
per cent

Annualised dividend yield*

The dividend was temporarily suspended between April and July 2020. From August 2020, the Company reintroduced monthly dividends at 0.25 pence per share. The annualised dividend yield from August 2020 based on the 30 June 2020 share price was 4.8 per cent. REIT status requires the Company to distribute 90 per cent of the net rental profits.

83.7
per cent

Rent collection from April 2020 to June 2020

Rent collection currently received to date from April 2020 to June 2020 is 83.7 per cent.

81.2
per cent

Rent collection from July 2020 to September 2020

Rent collection currently received to date post period end is 81.2 per cent.

3.2
per cent

Voids reduced by 1.6 per cent

As at 30 June 2020, the void rate was 3.2 per cent, excluding property being developed or refurbished, which compares to a rate of 4.8 per cent at the start of the year.

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 2020

Total Returns for the period*	
Net asset value per share	(6.7)%
Ordinary Share price	(44.7)%
Portfolio	(4.3)%
MSCI UK Quarterly Property Index	(3.1)%
FTSE All-Share Index	(17.5)%

	Half year ended 30 June 2020	Year ended 31 December 2019	% change
Capital Values			
Total assets less current liabilities (£'000)	1,275,137	1,357,394	(6.1)%
Net asset value per share	120.7p	130.9p	(7.8)%
Ordinary Share price	63.0p	115.6p	(45.5)%
EPRA Net asset value per share	120.7p	131.0p	(7.9)%
FTSE All-Share Index	3,410.93	4,196.47	(18.7)%
Ordinary share price discount to net asset value per share	(47.8)%	(11.7)%	
Net Gearing*	22.9%	21.3%	

	Half year ended 30 June 2020	Half year ended 30 June 2019
Earnings and Dividends		
Earnings per Ordinary Share	(8.8)p	(0.4)p
Dividends per Ordinary Share	1.5p	3.0p
Adjusted EPRA Earnings per Ordinary Share	2.4p	2.4p
Annualised dividend yield* †	0%	5.4%

† From August 2020, the Company reintroduced monthly dividends at 50 per cent of the previous rate at 0.25 pence per share. The annualised dividend yield from August 2020 based on the 30 June 2020 share price was 4.8%.

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 2020



Martin Moore,
Chairman

The six months to June 2020 were dominated by the coronavirus epidemic and its economic effects, following the UK's move into lockdown in March 2020. The global nature of the crisis has added to the challenges. UK economic output is down by around a fifth, and fiscal and monetary policies have been radically overhauled to mitigate the economic impacts. Total returns at the all-property level were negative at -3.1 per cent. All sectors of the market were affected, but industrials/logistics were relatively resilient and sustained a positive performance. The office sector delivered -0.8 per cent, as businesses moved towards greater home-working. Retail weakened still further and hospitality was also hard hit as businesses closed for trading.

The downturn has been characterised by the severity of its effect on the occupational market. Rent collection became much more difficult, especially in the most troubled segments, as businesses struggled to conserve cash. The investment market has also been affected as activity dropped significantly. Transactions were put on hold, aborted or suffered price reductions and not much new stock was openly marketed, although there were tentative signs of improvement later in the period.

Given the shortage of transactional evidence, a market uncertainty clause was applied to UK property by all valuers in March 2020. There has been more activity since the period end and this clause will be removed from the Company's September 2020 valuation.

Performance for the Period

Against this backdrop, the Company's share price total return over the six-months to 30 June 2020 was -44.7 per cent. The share price at the period-end was 63.0p,

representing a discount of 47.8 per cent to the NAV per share of 120.7p. The fall in the share price is concerning. Notwithstanding the prime nature of the Company's retail investments, our exposure to the sector of 30.1 per cent is currently weighing on the discount which is particularly wide. The Board has considered the use of share buybacks as a means of managing the share price, however, the effect of this would be limited given existing cash resources and also inconsistent with the Board's current focus on maintaining the Company's liquidity in this very uncertain environment.

The NAV total return over the six months was -6.7 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 2019	130.9
Unrealised decrease in valuation of direct property portfolio	(10.4)
Capital expenditure on properties	(0.7)
Other net revenue	2.4
Dividends paid	(1.5)
NAV per share as at 30 June 2020	120.7

The total return from the underlying portfolio was -4.3 per cent, compared with a total return of -3.1 per cent from the MSCI Quarterly Property Universe. The income return from the portfolio over the period was 2.4 per cent, offset by capital returns of -6.6 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.

Rent Collection

The Company has a diverse tenant base across the portfolio and the Manager has been proactively engaged with many of them, assessing and responding to requests for support on a case by case basis.

The level of collection has been higher than we originally feared at the start of the lockdown with rent collection for the second quarter of 2020 currently standing at 83.7 per cent. Of the 16.3 per cent still to be received, 5.0 per cent has been deferred following agreements between

the Company and tenants and 3.1 per cent of rent has been waived. Discussions are ongoing with the remaining tenants and the 83.7 per cent collected to date is expected to increase further.

A similar pattern of collection has been experienced post period end with rental collections for the third quarter currently at 81.2 per cent. More detailed information is available in the Managers' Review.

Developments

The construction work at Newbury Retail Park continued throughout the lockdown in accordance with Government guidelines and all units have now achieved practical completion. The unit to be occupied by Lidl was handed over in June and the tenant is fitting out with a target opening date in early Autumn 2020.

Work at St Christopher's Place and Solihull Retail Park did pause for a period during lockdown but has now resumed under strict safe operating practices. At Solihull we experienced a nine week delay due to the temporary site closure and availability of building materials. This delay has now been recovered and completion of the new pre-let M&S store is still programmed for the end of 2020.

Uncommitted capital expenditure continues to be deferred for the time being.

Sales

The Company completed the contractually agreed sale of Phase 2 of the former Ozalid Works, Colchester to Persimmon Homes for c.£5.6 million on 30 July 2020. This was a disposal of non-income producing land and obsolete industrial buildings with planning consent for residential development.

Cash and Borrowings

The Company had approximately £23 million of available cash as at 30 June 2020 and an undrawn revolving credit facility of £50 million. The long-term debt with L&G does not need to be refinanced until December 2024 and we have recently agreed terms to extend the existing Barclays £50 million term loan, and the £50 million revolving credit facility, previously due to expire on 21 June 2021. This will be extended to 31 July 2022, with the option of two further one-year extensions. As at 30 June 2020, the Company's loan to value ('LTV') was 22.9 per cent.



One Cathedral Square, Bristol

The Company continues to comfortably meet its covenants on the £260 million long-term loan with L&G at the current time.

There is also significant headroom on the loan to value covenant of the £50 million loan facility with Barclays, which relates to the St Christopher's Place assets. The interest cover test is more challenging but is still being passed. This particular covenant test has been discussed with Barclays, who remain sympathetic given current events. As indicated by the agreed extension of the existing facility, they are willing to support the business through this uncertain period.

Dividends

Monthly interim dividends of 0.5p per share were paid for the first three months of the period.

In view of the uncertainty of the impact that Covid-19 was expected to have on future rental receipts, particularly in relation to our retail and leisure tenants, the Board made the decision in April 2020 to temporarily suspend its future monthly dividend payments in order to strengthen cash reserves and protect the long-term value of the Company.

The Company has made good progress over the last five months, with rent collection at a higher level than was originally feared. Progress has also been made in reaching agreement to either restructure leases or agree short-term rent deferrals. In light of this the Board made the decision to reintroduce monthly dividends from August at a prudent level of 0.25 pence per share, being 50 per cent of the previous rate.

The Board is acutely aware of the importance of providing investors with a diversified and sustainable income stream with the prospect of future growth. The level of monthly dividend will be kept under close review in light of future rent collection levels, prevailing economic risks and the continued uncertainty of the path of Covid-19.

The Board is also mindful that REIT status requires the Company to distribute 90 per cent of net rental profits and compliance with this test is also a factor which will be monitored when considering the rate of future dividends.

Environmental, Social and Governance (ESG)

The Managers and Board maintain a strong commitment to adopting high ESG standards, an ambition that's only been heightened by today's exceptional circumstances. We are pleased with continued progress over the period which is referenced in detail later in this interim report. Further detailed insight into our performance will be provided in our 2020 ESG Report due in April 2021.

Outlook

Businesses began to reopen towards the end of the reporting period and whilst there has been some revival in activity, recovery is patchy and concerns remain regarding the longer-term impact of lockdown, the future trajectory of the virus and the lifting of short-term Government support. Sentiment towards real estate is cautious.

Emerging household behaviours such as the acceleration of growth in on-line retailing, changed travel preferences and greater home working are all likely to have lasting impacts on the property market with Brexit adding further unhelpful uncertainties. The removal of the 'material uncertainty' clause from property valuations in September is, on one hand, a positive for the sector as it marks the return of more normal levels of trading activity. But on the other, it introduces the potential for further short-term pricing

volatility as investors respond to the reopening of open-ended funds.

The immediate priority for the Company must continue to be on rent collection, supporting tenants where appropriate and stabilising portfolio income. Our collection rates have been relatively good and we will work hard to sustain these. It has been an extraordinary period and many of the changes brought into sharp focus by the pandemic may lead us to refine our longer-term strategy. As part of this, we are already working with our Managers to look at future areas that should be considered to further strengthen the diversification and resilience of the portfolio. Many challenges undoubtedly lie ahead but, in this fast changing world, the quality of our existing portfolio with its many accretive opportunities remains in the Company's favour.

Martin Moore

Chairman

29 September 2020

Managers' Review



Richard Kirby,
Fund Manager



Matthew Howard,
Deputy Fund Manager

Property highlights over the period

- Rent collection to date for Q2 2020 is 83.7 per cent and for Q3 2020 is 81.2 per cent.
- Voids as at 30 June 2020 were 3.2 per cent, which compares to a rate of 4.8 per cent at the start of 2020.
- The Company's portfolio produced a total return of -4.3 per cent versus the MSCI UK Quarterly Property Index ('MSCI') return of -3.1 per cent.
- Construction works completed for units to be occupied by Lidl and Deichmann Shoes.
- New lettings completed and further space under offer at St. Christopher's Place Estate.
- Completed the letting of 7,200 sq ft to Muller Ltd at Watchmoor Park, Camberley.
- Cassini House, London fully occupied following letting to Mitsui Fudosan.

Property Market Review

The property market total return for the six months to 30 June 2020, as measured by the MSCI UK Quarterly Property Index (MSCI) was -3.1 per cent. Real Estate performance has been hit by the enforced lockdown and the impact of the economic measures to contain the coronavirus pandemic, and its effect on both the capital and occupier markets. As a result, capital values fell by 5.2 per cent over the six-month period. The deterioration in total returns was broadly-based by sector. Performance was led by a positive 0.7 per cent total return for industrials whilst offices delivered a -0.8 per cent total return. Retail continued to struggle and total returns were -8.6 per cent. Alternatives were hit by weakness in the leisure and hotel segments and delivered a -2.7 per cent total return.

As a result of the economic and social lockdown measures output in June 2020, as measured by GDP, was 17 per cent below December 2019 levels. Monetary and fiscal policies have been eased dramatically to help cope with the crisis. Employment has been protected to a degree by the government furlough scheme, but the restrictions bore particularly harshly on store retailing and hospitality. Gilt yields continued to fall, finishing the period at 0.2 per cent and the global nature of the pandemic has added to the challenges facing the UK economy.

The occupational market has been affected by the crisis, but with differences by sector. Some parts of the industrial market benefited from stockpiling of unsold goods, NHS

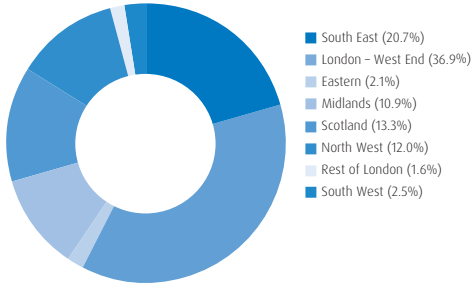
demand and the significant shift to online sales. Large numbers of office-based staff moved to home working in order to comply with Government guidance during the period. This has resulted in many planned corporate office moves being put on hold and subject to review given the level of uncertainty on what future office requirements will look like. Retail stores, hotels, leisure and food and beverage operators, have all been heavily hit by enforced closures during lockdown. The government has provided a measure of rates relief and introduced legislation protecting tenants which has limited landlords' remedies against non payment of rent.

Investment activity was buoyed early in the year by the 'Boris bounce', but after lockdown was imposed, sentiment became much more cautious. There was no flight of capital, however, activity fell back dramatically, with deals put on hold, aborted or subject to price cutting. Overseas buyers remained net investors, but the appetite for property from local authorities has unsurprisingly cooled. Very little new stock has been openly marketed, but there have been a number of sale and leaseback deals as companies implemented strategies to raise capital. There were signs of a recovery in activity towards the end of the period, with a number of deals for long-leased indexed assets, food stores and industrial stock but it was still low by past standards.

Data from CBRE shows prime supermarket, office, industrial and distribution yields stable in the six-month period.

Geographical Analysis

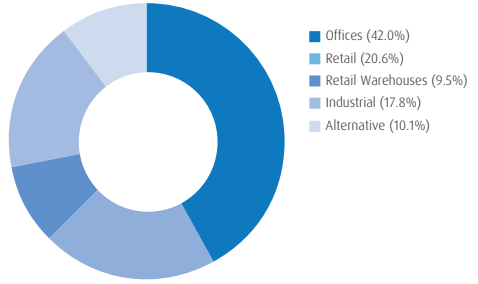
as at 30 June 2020, % of total property portfolio



Source: BMO REP

Sector Analysis

as at 30 June 2020, % of total property portfolio



Source: BMO REP

In contrast, secondary yields have weakened across all sectors and capitalisation rates for prime retail and leisure properties have moved out sharply.

The six months to June 2020 have been exceptional. There is some sign that the shock from lockdown is easing as more businesses re-open, and the MSCI Monthly Index indicates some positive momentum. However, it is apparent that Covid-19 has accelerated structural changes that were already underway in the sector and the future remains uncertain, with permanent changes in prospect.

Valuation and Portfolio

The six-month total return from the portfolio was -4.3 per cent compared with the MSCI return of -3.1 per cent. The Company's performance has been affected by valuation falls primarily on the retail holdings. The two large retail parks at Newbury and Solihull saw valuers continue to move out capitalisation rates with rental values being rebased as well. The values fell 10.7 per cent and 12.2 per cent respectively. Valuers also adopted a blanket assumption on all retail, restaurant and leisure properties of allowing for 3-6 month's rent as a capital deduction. As reported below, St Christopher's Place, our largest holding, was also marked down 7.8 per cent in value. Elsewhere the valuers moved out capitalisation rates on all properties with short unexpired lease terms.

On 17 March 2020, the RICS recommended the use of a Material Uncertainty Clause for all valuations of commercial real estate. This was as a result of a shortage of transactional evidence in the investment market and CBRE adopted this clause in the valuation certificates of 31 March and 30 June. During the course of the summer the

RICS selectively lifted material uncertainty from certain segments of the market. On the 9 September the RICS announced the lifting of material uncertainty across all UK real estate, with the exception of some assets valued purely with reference to trading potential e.g. trading hotels with management contracts. The Company does not own any assets falling into this category and CBRE has confirmed that this clause will not be applied to the September 2020 certificate.

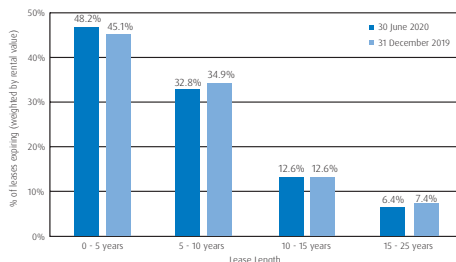
Income Analysis and Voids

Due to several lettings completing earlier on in the year we entered lockdown in a position of relative strength and the portfolio had a low void rate of 3.2 per cent at the end of the period, excluding property being developed or refurbished. Whilst this rate is extremely low, there is an expectation this will increase as the full impact of Covid-19 takes effect.

As Managers, we have been very focussed on rent collection with rental collection statistics fast becoming the main metric of the Company's performance. BMO REP has an in-house team which provides a full service across rent demand, credit control, service charge administration and purchase ledger. The asset managers, supported by this team, have been proactively engaged with many of the Company's tenants, assessing and responding to requests for support on a case by case basis. There is 'no one size fits all solution'. It is apparent that these strong and historic relationships, combined with robust controls and processes, have supported rent collection during such challenging times. The Government has provided commercial tenants with well-publicised protection from landlords seeking to take legal action to recover arrears of rent. It has recently

Lease Expiry Profile

At 30 June 2020 the weighted average lease length for the portfolio, assuming all break options are exercised, was 6.2 years



Source: BMO REP

been announced that this protection has been extended until 31 December 2020. Unfortunately, there are a minority of tenants with strong businesses who are using this protection not to pay rent or to engage.

The Company has provided two trading updates since the advent of the pandemic and the rent collection data for the quarters preceding and succeeding the period end is scheduled below:

Quarter ended 30 June 2020

To date the Company has collected 83.7 per cent of the rents due.

Collection by sector:			
	Rent Billed (£m)	Collected (£m)	%
Industrial	3.3	3.1	92.5
Offices	6.8	6.4	94.8
Retail Warehouse	2.0	1.7	84.4
Retail	3.1	1.7	57.2
Alternatives	1.0	0.6	61.7
Total	16.2	13.5	83.7

Breakdown of uncollected rent:		
	Rent Billed (£m)	%
Total Outstanding		
Agreed deferrals	0.8	5.0
Rent waived	0.5	3.1
Unresolved/in discussion	1.4	8.2
Uncollected Rent	2.7	16.3

Quarter ended 30 September 2020

To date the Company has collected 81.2 per cent of the rents due.

Collection by sector:			
	Rent Billed (£m)	Collected (£m)	%
Industrial	3.3	3.3	97.2
Offices	6.9	6.5	93.4
Retail Warehouse	2.0	1.2	59.2
Retail	3.1	1.7	55.0
Alternatives	1.1	0.7	67.2
Total	16.4	13.4	81.2

Breakdown of uncollected rent:		
	Rent Billed (£m)	%
Total Outstanding		
Agreed deferrals	0.4	2.6
Rent waived	0.2	1.4
Monthly payments*	0.4	2.2
Unresolved/in discussion	2.0	12.6
Uncollected Rent	3.0	18.8

* tenants who have been billed for the quarter but are paying in monthly instalments.

The quarter 3 rent collection is better than we envisaged, with collection being strong in the office and industrial segments which reflects well on these prime assets. The retail, food & beverage and leisure sectors remain challenging with progress being maintained through extensive tenant engagement.

Retail and Retail Warehouse

The enforced closure of all non-essential retail has increased the stress on many retailers and has led to a torrid period of increased Administrations and Company Voluntary Arrangements (CVA's). This has resulted in an intense period of property and asset management on the Company's retail properties. Many retailers have currently put on hold all new store acquisition work. In many cases, existing pre-lockdown deals and lease renewals are also on hold and some previously agreed terms are being revisited in light of the current environment.

Since reopening for trade on 15 June 2020, most retailers are diverting the majority of their resource into existing stores and managing revenue and out-goings. Anecdotal feedback from retailers is pointing to trade from out of town retail locations being more robust than many town centre locations as shoppers favour an outdoor environment with

adjacent car parking and larger stores where it is easier to maintain social distancing. We have seen this trend at our retail parks in Newbury and Solihull which are quality assets with strong catchment areas and where footfall has fared relatively well.

We are able to report the following progress:

Newbury (retail warehouse)

The construction works at Newbury continued throughout the lockdown and all units have now completed. The unit to be occupied by Lidl was handed over in June and the tenant is fitting out with a target opening date of early Autumn 2020. As previously reported Lidl have entered into a 25-year lease (break at year 20) with CPI linked reviews at a rent of £430,000 per annum. The adjoining 9,500 sq ft unit has also completed and is being marketed to let. The store created for Deichmann Shoes is now open and trading with the adjoining unit currently under offer to another well-known multiple retailer.

Solihull (retail warehouse)

Works are progressing on the development of a new 82,000 sq ft unit for Marks & Spencer. The contractor at Solihull did pull off-site for several weeks during lockdown but resumed working under strict safe operating practices. Having previously reported a nine week delay the contractor has made up lost time and is now back on programme.

A planning application for the repositioning and change of use of the vacant retail unit, formerly let to Multi-York, to a gym has been submitted to the local planning authority.

Broadway, Wimbledon, London SW19 (retail/alternatives)

The capital value at Wimbledon is down 14.7 per cent for the year to date. Rent collection for the asset has been significantly impacted, with a cinema and a gym accounting for 48 per cent of the rental value and being unable to trade for an extended period of time. Rental concessions and deferred repayment plans have been agreed with both Odeon and Nuffield Gym and further concessions agreed with a number of the other tenants. As an essential retailer, Morrisons continued trading throughout lockdown and this supermarket accounts for 30 per cent of contracted rents.

We continue to work closely with Merton Council in looking at the options for the Company's ownership in the longer term, as part of the Wimbledon Town Centre Masterplan. This could provide the Company with a valuable long-term redevelopment opportunity, enhancing future prospects for this asset.

St. Christopher's Place Estate (retail/office/alternatives)

St Christopher's Place has seen a steady programme of re-opening with the vast majority of tenants now open and trading. As widely reported, footfall across the West End of London is suppressed and lags other regional cities, largely due to its reliance on tourists and office workers, both whom are unlikely to return in substantial numbers until at least next year. At St Christopher's Place, footfall has increased incrementally week on week since reopening and is currently around 50 per cent of last year's levels, with weekly footfall growth continuing to outperform the rest of the West End. The estate's food and beverage ('F&B') tenants have greatly benefitted from a three-month, temporary road closure of James Street which has enabled them to trade onto the street and provided additional external space to accommodate safe physical distancing practices. The Government's 'Eat out to Help Out' subsidy during August also provided valuable support driving trade and footfall Monday through Wednesday.

Across the estate, rent support has been offered to tenants on a case by case basis with many of the concessionary agreements expected to remain in place until at least the end of this year.

The capital value of St Christopher's Place has fallen 7.8 per cent over the period. This is the result of pressure on both the retail and F&B sectors, with a decline in headline rental values and capitalisation rates moving out. In particular, the holdings on Oxford Street have been hit with a significant rebasing of rents.

Tenant Casualties

- Carluccios at 3-5 Barrett Street has a CVA in place. Administrators have secured a buyer for the business and a new operator is in the process of acquiring this unit. We have agreed a new lease. It is extremely encouraging that a well-known brand has the confidence to see through the current challenges and to invest in this site for the future.
- Aldo: 372 Oxford Street is in Administration and unfortunately the store will remain closed although rent is being paid through a bank guarantee until January 2021.
- Pizza Express: 21-22 Barrett Street has undertaken a CVA but this restaurant is unaffected and will remain open with no impact on rent.

Letting Activity

- In the first quarter we completed a new letting to Flat Iron at 42-44 James Street. This new offering will complement the existing choice of establishments along James Street.

- Two new restaurant lettings at 20 and 56 James Street are under offer.
- A number of office occupiers are under offer on the renewal of leases.

Developments

Construction work at 52-54 James Street to create a larger restaurant continues and although completion has been slightly delayed, this hasn't affected the agreed letting.

Offices

The Government advice to work from home has had an effect on office supply and demand, as increasing "grey" space is marketed by occupiers wanting to reduce their floor space costs. The future use and requirements of offices will evolve, but our current view is that businesses will still want and need offices although they will use them in different ways, for example as high value collaborative hubs and meeting places rather than 'desk factories'. More people will work from home or at "third places" and use offices on a flexible basis.

The Company has a high quality and diversified office exposure with a mix of city centre and out of town locations. It has a small exposure to the City of London, being 7 Birchlin Lane, which is a building of small floorplates and not heavily reliant upon lifts to upper floors.

At Watchmoor Park, Camberley, we completed the leasing of 38,000 sq. ft. earlier this year and have just secured the letting of a further 7,200 sq. ft. to Muller (Milk and More) having gone under offer during the depth of lockdown. The lease is at a rent of £23 psf for a term of 5 years with a tenant option to renew for a further 10 years.

Cassini House, London SW1 is now fully occupied following the letting to Mitsui Fudosan in February. This is a refurbished freehold trophy asset in the heart of St James's providing a high quality secure income stream.

An office building that has been under the spotlight is the Leonardo Building, Crawley, let to Virgin Atlantic. Much of their lockdown was spent negotiating with Virgin as part of their corporate financial restructuring. We have now contracted a legal agreement which effectively grants the tenant a 12-month rent free period, spread over 5 years by rebasing the rent from £23.00psf to £18.90psf. At the end of this 5-year period Virgin have the option to take a 2.5 year reversionary lease on the property or to repay 50 per cent of the monetary value of the concession back to the Company.



82 King Street, Manchester

Industrial & Logistics

The year started positively with a number of tenants actively engaging on lease renewal and regearing discussions. These slowed at the end of March but momentum is now returning. We anticipate a number of negotiations concluding before year end which should help address some of the recent underperformance we have seen here as yields were adjusted on these well located but relatively short-leased assets.

There was positive news at Daventry where Mothercare are honouring their PLC guarantor obligations by completing an assignment of the lease following their UK trading entity's Administration. In June, Clipper Logistics took a short-term sub-lease of this 300,000 sq. ft. facility on behalf of the NHS to provide storage and distribution of PPE. They remain in occupation, quite possibly until early 2021, and there are now active longer-term occupiers considering the property.

Elsewhere we have agreed to defer tenant break clauses for Amazon in Southampton and at Hams Hall, Birmingham where Jaguar Land Rover want the future flexibility to allow them to control and lease property direct.

At the Cowdray Centre, Colchester we have secured detailed planning consent for the demolition of existing properties and the development of a new trade scheme totalling approximately 30,000 sq. ft. The timing of any commitment to this development is under review.

Industrial Sale

In July Persimmon Homes completed the contractually agreed purchase of the second phase of land at the former Ozalid Works, Colchester for approximately £5.6 million. This was a disposal of a non-income producing site and obsolete buildings with planning consent for residential development. In aggregate, this takes the total proceeds for the sale of the combined land to £11.6 million, following the sale of phase one in 2019.

The Alternatives property sector

Alternatives relate to the purpose-built student accommodation in Winchester, residential properties at St Christopher's Place and the leisure units at Wimbledon, Broadway. The student accommodation at Winchester is let to the University of Winchester who now have students back on campus and in occupation. The University has continued to pay their rent in full and on time. The occupation of the short-term residential units at St Christopher's Place was unsurprisingly poor during lockdown, although this has started to recover in recent weeks.

Outlook

The economy is now in recession and consensus estimates are only for a partial recovery next year. The potential ramifications from Brexit will come into greater prominence as the year end exit approaches without any tangible sign of a 'deal' at the current time. A period of transition is in prospect, involving major uncertainty.

There are increasing concerns about further outbreaks and spikes of the virus which have led to the invoking of local geographic lockdowns and new national Covid-19 restrictions being put in place. There are also concerns over employment and spending once the furlough scheme ends. It will take time for travel patterns, including commuting, to re-balance and for consumers, workers and tourists to feel fully comfortable in city centres.

Permanent changes are expected, including a further shift to online retailing and greater levels of flexible working and working from home. On the positive side, this should boost distribution, particularly last-mile logistics, and there could be an increase in the attractiveness of regional and local amenities as people adjust their working behaviour to be more agile. From a negative perspective, this could reduce

demand and alter the specification for offices, and we have already witnessed the severe pressure that is being added to the retail sector, especially town centre shopping centres.

The pandemic will lead to a re-basing of many rents and a more widespread move to lease reform and flexibility with rents being more aligned with turnover. Covenant strength, income sustainability and the protection of the income stream will become ever more critical for landlords. Bond yields and interest rates are expected to remain low for some considerable time, which makes the asset class appealing to those seeking an enhanced level of income, albeit accepting, there is now additional risk.

Rent collection remains the Managers' priority and we continue to work with tenants to reach mutually acceptable terms in the cases where they are still experiencing stress. In the short to medium term we are negotiating to restructure and re-gear leases and in certain instances this will involve a move to more turnover related rents. In the medium term we will be considering the diversification and resilience of the portfolio composition in light of the learnings from Covid-19 and some of the accelerated changes real estate is experiencing. The Company remains invested in a prime portfolio, with conviction positions in 'established real estate' like St Christopher's Place. There are many significant asset management opportunities which the Manager will seek to exploit, and we believe that the Company is well placed to embrace the challenges ahead.

Richard Kirby & Matthew Howard

Fund Managers
BMO REP Asset Management plc

29 September 2020

Environmental, Social and Governance (ESG)

Highlights for the six-month period to 30 June 2020

The emergence of Covid-19 as an unprecedented global disruptor has undoubtedly sharpened awareness to ESG matters such as health, wellbeing, supply-chain and resilience, as well as heightening sensitivity to the risks presented by climate change. The Company devoted significant resource to managing health and safety obligations associated with coronavirus across its directly managed property assets. Ranging from industrial sites with limited common areas to large assets in multiple occupation, the Company implemented a programme of covid-specific risk assessments, arranged for independent verification of representative samples of such assessments and the associated application of control measures, and engaged in a process of collaboration with building occupiers to enable the establishment of covid-secure premises. The Company has continued to progress its responsible property investment strategy but recognises that the enforced period of lockdown and commercial inactivity may have distorted or delayed some of the metrics it ordinarily utilises to track performance.

- The Company submitted to the 2020 GRESB (Global Real Estate Sustainability Benchmark) survey on schedule for both real estate and public disclosure modules. The reporting window was extended by one month on account of Covid-19 and the publication of results is similarly delayed until November.
- The Company also submitted to the full tier of the CDP climate change module on schedule, with these results also expected to be delayed on account of Covid-19 until early next year.
- For its 2019 ESG Report, and for the second year in succession, the Company achieved a Gold Award for alignment to the 3rd Edition of the EPRA Sustainability Best Practice Recommendations.
- Whilst cognisant of some distortion to consumption patterns on account of lower occupancy levels due to Covid-19, compared to to the six-month period to 30 June 2019, the Company has achieved:
 - 17.6% like-for-like reduction in energy consumption [#]
 - 21.5% reduction in absolute energy consumption
 - 22.3% like-for-like reduction in carbon emissions [#]

- 25.7% absolute reduction in carbon emissions
- 4.0% increase in energy intensity
- 41.6% like-for-like reduction in water consumption [#]
- 43.7% reduction in absolute water consumption

The increase in portfolio energy intensity, calculated as total kilowatt hour consumption divided by floor area, can be attributed to a significant reduction of some 100,000 square feet of floor area driven by the disposal of assets at Camberley, Colchester and Reading.

- The Company has improved its waste data collection and management processes across the portfolio such that where the landlord has operational control and responsibility for dealing with waste, 100 per cent is now averted from landfill.
- Determined by number of directly managed assets, 84 per cent of sites within the portfolio are paying the real living wage to all service provider employees within scope against a target ambition of 100 per cent by the end of 2020.
- The distribution profile of Energy Performance Certificate (EPC) ratings remains broadly unchanged across the portfolio taking certificate expiry and renewal into account, ratings being in place for all demises. Using the desktop flood risk assessments undertaken in 2019, 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 2020 zero per cent of rental income was attributable to organisations that appear on the exclusion lists managed by BMO Global Asset Management.

[#] Like-for-like: consumption values at an asset level are included into like-for-like change calculations if data availability is for two consecutive years.

[®] 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 2020

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
London SW19, Wimbledon Broadway

Retail Warehouse
Retail/Alternative**

Properties valued between £40 million and £50 million

Solihull, Sears Retail Park
Winchester, Burma Road
Manchester, 82 King Street

Retail Warehouse
Alternative
Office

Properties valued between £30 million and £40 million

Crawley, The Leonardo Building, Manor Royal
Aberdeen, Unit 1 Prime Four Business Park, Kingswells
Aberdeen, Unit 2 Prime Four Business Park, Kingswells
Rochdale, Dane Street
Chorley, Units 6 & 8 Revolution Park
Daventry, Site E4, Daventry International Rail Freight Terminal
Bristol, One Cathedral Square (footnote 1)

Office
Office
Office
Retail
Industrial
Industrial
Office

Properties valued between £20 million and £30 million

Uxbridge, 3 The Square, Stockley Park
Daventry, Site E4, Daventry International Rail Freight Terminal
Birmingham, Unit 8 Hams Hall Distribution Park
Liverpool, Unit 1, G. Park, Portal Way
Glasgow, Alhambra House, Wellington Street
Aberdeen, Unit 3 Prime Four Business Park, Kingswells
Birmingham, Unit 10a Hams Hall Distribution Park
London SW1, 2/4 King Street
London W1, 17a Curzon Street
Colchester, The Cowdray Centre, Cowdray Avenue

Office
Industrial
Industrial
Industrial
Office
Office
Industrial
Office
Office
Industrial

Properties valued between £10 million and £20 million

London EC3, 7 Birchin Lane
East Kilbride, Mavor Avenue
London W1, 16 Conduit Street (footnote 1)
Camberley, Watchmoor Park, Building C
Liverpool, Unit 1 The Hive, Estuary Business Park (footnote 1)
Birmingham, Unit 6a Hams Hall Distribution Park
Southampton, Upper Northam Road, Hedge End
Edinburgh, Nevis/Ness Houses, 11/12 Lochside Place

Office
Retail Warehouse
Retail
Office
Industrial
Industrial
Industrial
Office

Properties valued under £10 million

Colchester, Ozalid Works, Cowdray Avenue (footnote 4)
Camberley, Affinity Point, Glebeland Road
Solihull, Oakenham Road
Aberdeen, Unit 4 Prime Four Business Park, Kingswells
Liverpool, Unit 2 & 4 The Hive, Estuary Business Park (footnote 1)

Industrial
Industrial
Retail Warehouse
Office
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.

4 Property held for sale.

* 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 2019. The Company's principal risks have not changed since the date of that report and are not expected to change for the remainder of the Company's financial year.

Covid-19 has had a significant effect on the commercial real estate market, and the duration and consequences of the situation are uncertain, which has resulted in a number of the residual risks increasing. The areas of increased risk relate to the potential for tenant defaults, material uncertainty over valuations, the volatility of the share price and availability of cash resources. These areas are discussed in detail in the Chairman's Statement and the Manager's Report. Since the outbreak, the Board have been meeting on a significantly more frequent basis.

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

29 September 2020

Independent Review Report

Independent Review Report to BMO Commercial Property Trust Limited Our conclusion

We have reviewed BMO Commercial Property Trust Limited's (the "Company") interim condensed set of consolidated interim financial statements (the "interim financial statements") for the 6-month period ended 30 June 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are 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 interim financial statements comprise:

- the condensed consolidated balance sheet as of 30 June 2020;
- 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 interim financial statements included in the interim report have 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 interim report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report 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 responsibility is to express a conclusion on the interim financial statements in the interim report 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.

What a review of interim financial statements involves

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
29 September 2020

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

(unaudited) for six months ended 30 June 2020				
Notes	Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000	Year to 31 December 2019* £'000	
	Revenue			
	Rental Income	32,572	31,938	64,380
	Total revenue	32,572	31,938	64,380
	Gains/(losses) on investment properties			
5	Unrealised losses on revaluation of investment properties	(89,198)	(22,593)	(63,045)
5	(Loss)/gain on sale of investment properties realised	-	(316)	1,321
	Total income	(56,626)	9,029	2,656
	Expenditure			
	Investment management fee	(3,444)	(3,716)	(7,446)
3	Other expenses	(4,072)	(3,214)	(5,877)
	Total expenditure	(7,516)	(6,930)	(13,323)
	Operating (loss)/profit before finance costs and taxation	(64,142)	2,099	(10,667)
	Net finance costs			
	Interest receivable	49	1	42
	Finance costs	(5,463)	(5,445)	(10,916)
		(5,414)	(5,444)	(10,874)
	Loss before taxation	(69,556)	(3,345)	(21,541)
	Taxation	(465)	17	(934)
	Loss for the period	(70,021)	(3,328)	(22,475)
	Other comprehensive income			
	Items that are or may be reclassified subsequently to profit or loss			
	Movement in fair value of effective interest rate swap	(222)	(350)	(319)
	Total comprehensive income for the period	(70,243)	(3,678)	(22,794)
4	Basic and diluted earnings per share	(8.8)p	(0.4)p	(2.8)p

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 2020				
Notes		30 June 2020 £'000	30 June 2019 £'000	31 December 2019* £'000
	Non-current assets			
5	Investment properties	1,231,458	1,361,685	1,314,973
	Trade and other receivables	20,283	20,204	20,816
		1,251,741	1,381,889	1,335,789
	Current assets			
5	Investment properties held for sale	5,235	-	5,235
	Trade and other receivables	13,809	5,979	7,561
	Taxation receivable	132	-	112
	Cash and cash equivalents	22,835	29,954	25,894
		42,011	35,933	38,802
	Total assets	1,293,752	1,417,822	1,374,591
	Current liabilities			
	Trade and other payables	(18,615)	(17,389)	(17,197)
	Taxation payable	-	(87)	-
		(18,615)	(17,476)	(17,197)
	Non-current liabilities			
	Trade and other payables	(1,692)	(2,118)	(2,119)
	Interest-bearing loans	(308,547)	(308,191)	(308,366)
	Interest rate swap	(439)	(248)	(217)
		(310,678)	(310,557)	(310,702)
	Total liabilities	(329,293)	(328,033)	(327,899)
	Net assets	964,459	1,089,789	1,046,692
	Represented by:			
6	Share capital	7,994	7,994	7,994
	Special reserves	589,593	589,593	589,593
	Capital reserves	261,023	389,036	350,221
	Hedging reserve	(439)	(248)	(217)
	Revenue reserve	106,288	103,414	99,101
	Equity shareholders' funds	964,459	1,089,789	1,046,692
7	Net asset value per share	120.7p	136.3p	130.9p

* 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

(unaudited) for six months ended 30 June 2020						
Notes	Share Capital £'000	Special Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
	7,994	589,593	350,221	(217)	99,101	1,046,692
	At 1 January 2020					
	Total comprehensive income for the period					
	-	-	-	-	(70,021)	(70,021)
	-	-	-	(222)	-	(222)
5	-	-	(89,198)	-	89,198	-
	-	-	(89,198)	(222)	19,177	(70,243)
	Total comprehensive income for the period					
	Transactions with owners of the Company recognised directly in equity					
2	-	-	-	-	(11,990)	(11,990)
	7,994	589,593	261,023	(439)	106,288	964,459
	At 30 June 2020					

(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
	7,994	589,593	411,945	102	107,814	1,117,448
	At 1 January 2019					
	Total comprehensive income for the period					
	-	-	-	-	(3,328)	(3,328)
	-	-	-	(350)	-	(350)
5	-	-	(22,593)	-	22,593	-
5	-	-	(316)	-	316	-
	-	-	(22,909)	(350)	19,581	(3,678)
	Total comprehensive income for the period					
	Transactions with owners of the Company recognised directly in equity					
2	-	-	-	-	(23,981)	(23,981)
	7,994	589,593	389,036	(248)	103,414	1,089,789
	At 30 June 2019					

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

Condensed Consolidated Statement of Changes in Equity

(audited) for the year to 31 December 2019						
Notes	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 year						
Loss for the year	-	-	-	-	(22,475)	(22,475)
Movement in fair value of interest rate swap	-	-	-	(319)	-	(319)
5 Transfer in respect of unrealised losses on investment properties	-	-	(63,045)	-	63,045	-
5 Gains on sale of investment properties realised	-	-	1,321	-	(1,321)	-
Total comprehensive income for the year	-	-	(61,724)	(319)	39,249	(22,794)
Transactions with owners of the Company recognised directly in equity						
2 Dividends paid	-	-	-	-	(47,962)	(47,962)
At 31 December 2019	7,994	589,593	350,221	(217)	99,101	1,046,692

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

Condensed Consolidated Statement of Cash Flows

(unaudited) for six months ended 30 June 2020				
Notes		Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000	Year to 31 December 2019* £'000
	Cash flows from operating activities			
	Loss for the period before taxation	(69,556)	(3,345)	(21,541)
	Adjustments for:			
	Finance costs	5,463	5,445	10,916
	Interest receivable	(49)	(1)	(42)
5	Unrealised losses on revaluation of investment properties	89,198	22,593	63,045
5	Losses/(gains) on sale of investment properties realised	-	316	(1,321)
	Increase in operating trade and other receivables	(5,786)	(260)	(2,617)
	Increase in operating trade and other payables	991	1,393	1,307
	Cash generated from operations	20,261	26,141	49,747
	Interest received	49	1	42
	Interest and bank fees paid	(5,231)	(5,320)	(10,549)
	Taxation paid	(465)	(918)	(2,076)
		(5,647)	(6,237)	(12,583)
	Net cash inflow from operating activities	14,614	19,904	37,164
	Cash flows from investing activities			
	Sale of investment properties	-	28,440	34,428
5	Capital expenditure of investment properties	(5,683)	(4,536)	(7,863)
	Net cash (outflow)/inflow from investing activities	(5,683)	23,904	26,565
	Cash flows from financing activities			
2	Dividends paid	(11,990)	(23,981)	(47,962)
	Net cash outflow from financing activities	(11,990)	(23,981)	(47,962)
	Net (decrease)/increase in cash and cash equivalents	(3,059)	19,827	15,767
	Opening cash and cash equivalents	25,894	10,127	10,127
	Closing cash and cash equivalents	22,835	29,954	25,894

* 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 2019, which were prepared under full IFRS as adopted by the European Union requirements and The Companies Law (Guernsey), 2008. 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 2019. 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 29 September 2020.

2. Dividends and property income distributions (PID) gross of income tax

	Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000	Year to 31 December 2019 £'000
In respect of the previous period:			
Ninth interim *property income distribution/dividend (0.5p per share)	3,997*	3,997	3,997
Tenth interim *property income distribution/dividend (0.5p per share)	3,997*	3,997	3,997
Eleventh interim *property income distribution/dividend (0.5p per share)	3,996*	3,996	3,996
Twelfth interim dividend (0.5p per share)	-	3,997	3,997
In respect of the period under review:			
First interim dividend (0.5p per share)	-	3,997	3,997
Second interim dividend (0.5p per share)	-	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 property income distribution (0.5p per share)	-	-	3,997
Seventh interim property income distribution (0.5p per share)	-	-	3,997
Eighth interim property income distribution (0.5p per share)	-	-	3,997
	11,990	23,981	47,962

The payment of property income distributions were suspended between April and August 2020.

Property Income Distributions paid/announced subsequent to the period end were:

	Record date	Payment date	Rate (pence)
Fourth interim dividend	13 August 2020	28 August 2020	0.25
Fifth interim dividend	10 September 2020	30 September 2020	0.25

Although these payments relate to the period ended 30 June 2020, under IFRS they will be accounted for in the period during which they are declared.

3. Other expenses	Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000	Year to 31 December 2019 £'000
Direct operating expenses of rental property	1,223	2,085	3,897
Credit loss provision*	2,100	29	50
Valuation and other professional fees	245	243	421
Professional fees for REIT conversion	-	314	372
Directors' fees	124	166	291
Administration fee	78	76	155
Depository fee	73	80	161
Other	229	221	530
	4,072	3,214	5,877

* The credit loss provision is rent and service charge receivable that was greater than three months overdue.

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 2019.

4. Earnings per share	Six months to 30 June 2020	Six months to 30 June 2019	Year to 31 December 2019
Net loss attributable to ordinary shareholders (£'000)	(70,021)	(3,328)	(22,475)
Return per share - pence	(8.8)p	(0.4)p	(2.8)p
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 2020 should not be taken as guide to the results for the year to 31 December 2020.

5. Investment properties	Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000	Year to 31 December 2019 £'000
Non-current assets - Investment properties			
Freehold and leasehold properties			
Opening fair value	1,314,973	1,384,856	1,384,856
Sales - proceeds	-	(3,940)	(9,928)
- (loss)/gain on sale	-	(4,705)	74
Capital expenditure	5,683	4,616	7,942
Unrealised losses realised during the period	-	3,451	309
Unrealised gains on investment properties	2,969	7,254	10,056
Unrealised losses on investment properties	(92,167)	(29,847)	(73,101)
Transfer to asset classified as held for sale	-	-	(5,235)
Closing fair value	1,231,458	1,361,685	1,314,973
Historic cost at the end of the period	953,738	947,145	948,054
Current assets - Investment properties held for sale			
Freehold properties			
Opening fair value	5,235	23,562	23,562
Sales - proceeds	-	(24,500)	(24,500)
- loss on sale	-	(22,507)	(22,507)
Unrealised losses realised during the period	-	23,445	23,445
Transfer from non-current asset investment properties	-	-	5,235
Closing fair value of properties held for sale	5,235	-	5,235
Historic cost at the end of the period	1,208	-	1,208

5. Investment properties (continued)

	Six months to 30 June 2020 £'000	Six months to 30 June 2019 £'000	Year to 31 December 2019 £'000
Losses on sale	-	(27,212)	(22,433)
Unrealised losses realised during the period	-	26,896	23,754
(Losses) / gains on sales of investment properties realised	-	(316)	1,321
The fair value of investment properties reconciled to the appraised value as follows:			
Appraised value prepared by CBRE excluding asset classified as held for sale	1,253,725	1,383,125	1,337,025
Lease incentives held as debtors	(22,267)	(21,440)	(22,052)
Closing fair value	1,231,458	1,361,685	1,314,973
The assets classified as held for sale reconciled to the appraised value as follows:			
Appraised value prepared by CBRE of asset classified as held for sale	5,585	-	5,585
Selling costs of assets held for sale	(350)	-	(350)
Closing fair value	5,235	-	5,235

As at 30 June 2020 the Group exchanged contracts with a third party for the sale of Ozalid Works, Colchester for a price of £5.6 million. The sale completed in July 2020.

All the Group's investment properties were valued as at 30 June 2020 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 2020 on a fair value basis and in accordance with The RICS Valuation – Global Standards 2017. 30 June 2020 valuations are subject to a 'material uncertainty' clause in line with prevailing RICS guidance.

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 2019.

As at 30 June 2020, 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 2020 £'000	Six months to 30 June 2019 £'000	Year to 31 December 2019 £'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 (2019: nil) raising net proceeds of £nil (2019: £nil).

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

7. Net asset value per share

	Six months to 30 June 2020	Six months to 30 June 2019	Year to 31 December 2019
Net asset value per ordinary share - pence	120.7p	136.3p	130.9p
Net assets attributable at the period end (£'000)	964,459	1,089,789	1,046,692
Number of ordinary shares in issue at the period end	799,366,108	799,366,108	799,366,108

8. Related party transactions

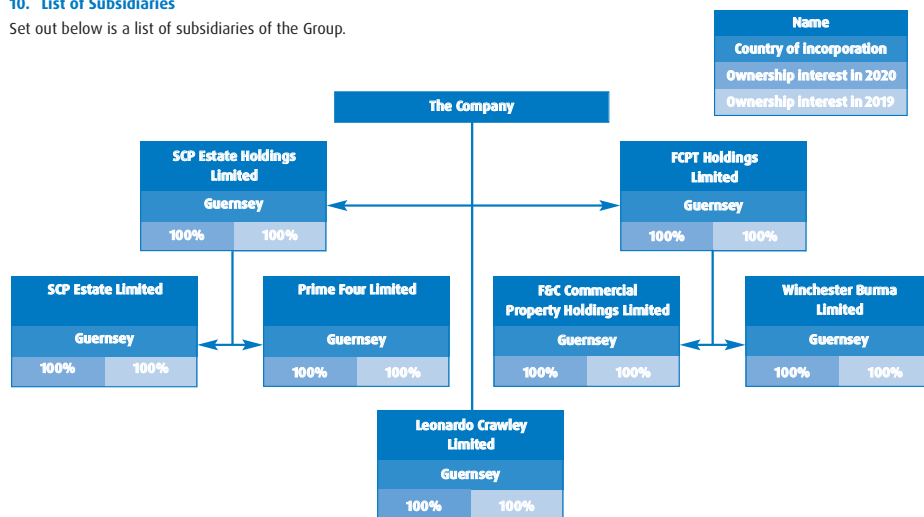
The Directors of the Company received fees for their services and dividends from their shareholdings in the Company. No fees remained payable at the period end.

9. Capital commitments

The Group had capital commitments totalling £9,800,000 as at 30 June 2020 (30 June 2019: £2,400,000; 31 December 2019: £2,100,000). These commitments related mainly to contracted development works at the Group's properties at Sears Retail Park, Solihull and 54-56 James St, St Christopher's Place Estate.

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 2020, the Group completed the sale of phase 2 of the former Ozalid Works site in Colchester to Persimmon Homes for a price of £5.6 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: bmo-commercialproperty.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 bmo-commercialproperty.com. This document has been produced in accordance with EU's PRIIPS Regulations.

Financial Calendar 2020/2021

October 2020	Q3 Net Asset Value announcement
January 2021	Q4 Net Asset Value announcement
April 2021	Announcement of annual results Posting of Annual Report
June 2021	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 2020/21 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 £9,000 for the tax year 2020/21 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 £9,000 for the 2020/21 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.

Our Digital service upgrade

At BMO, we're focused on providing our customers with a market-leading experience. We've been working on further upgrades to our online offering, the 'BMO UK App' is available to download on the [Apple App Store](#). This exciting development follows the 'BMO Investor Portal'. For more information visit bmoinvestments.co.uk/upgrade



BMO Asset Management Limited

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

BMO Asset Management Limited is authorised and regulated by the Financial Conduct Authority and is a member of BMO Global Asset Management EMEA of which the ultimate parent company is the Bank of Montreal. 737510_G19-1804_156_04/19_UK

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 trusts 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: Barclays Stockbrokers, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, Selftrade, The Share Centre

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 2019.

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 2020 £'000	30 June 2019 £'000
Loss for the period		(70,021)	(3,328)
Add back:	Unrealised losses on revaluation of investment properties	89,198	22,593
	Losses on sales of investment properties realised	–	316
Profit before investment gains and losses	(a)	19,177	19,581
Dividends	(b)	11,990	23,981
Dividend Cover percentage (c = a/b)	(c)	159.9	81.7

Annualised Dividend Yield – The prevailing dividend rate annualised 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.

EPRA NAV – The EPRA Net Asset Value highlights the fair value of net assets on an ongoing, long-term basis. It excludes assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation surpluses.

EPRA Earnings – EPRA earnings represents the earnings from core operational activities, excluding investment property revaluations and gain/losses on asset disposals. It demonstrates the extent to which dividend payments are underpinned by recurring operational activities.

Corporate Information

Directors (all non-executive)

Martin Moore (Chairman)*
Trudi Clark #
Paul Marcuse‡
John Wythe†
Linda Wilding

Secretary

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Administration
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Edinburgh EH3 9EG
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London W1H 7JW

Property Valuers

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Auditor

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1 Glatigny Esplanade
St. Peter Port
Guernsey GY1 4ND

Guernsey Legal Advisers

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Carey House
Les Banques
St. Peter Port
Guernsey GY1 4BZ

UK Legal Advisers

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Edinburgh EH2 4DF

Broker and Financial Adviser

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The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA

Depository

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 2020

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