BMO Commercial Property Trust Limited

Interim Report for the six months ended 30 June 2021

BMO

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 Financial Conduct 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 11 to the accounts.

At 30 June 2021 Group total assets less current liabilities were £1,301 million and Group shareholders' funds were £990 million.

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

Registered in Guernsey with company registration number 50402
Legal Entity Indentifier: 213800A2B1H4ULF3K397

Front Cover Photo: Ness & Nevis Houses, Edinburgh

Headlines

16.3
per cent

Share price total return*

Share price total return of 16.3 per cent for the period.

8.0
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.

4.6
per cent

Dividend yield*

The dividend yield based on the 30 June 2021 share price was 4.6 per cent. REIT status requires the Company to distribute 90 per cent of the net rental profits.

91.6
per cent

Rent collection since the onset of the pandemic to June 2021

Rent collection currently received since the onset of the pandemic in April 2020 to June 2021 is 91.6 per cent.

1.9
per cent

Void rate at historic low of 1.9 per cent

As at 30 June 2021, the void rate was 1.9 per cent, excluding property being developed or refurbished, which compares to a rate of 2.9 per cent at the start of the calendar year.

£199.5
m

Property Sales

Completed a £19 million property disposal, with further sales of £180.5 million in September 2021 as part of the strategy to adjust sector weightings.

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

Total Returns for the period*	Half year ended 30 June 2021
Net asset value per share	**8.0%**
Ordinary Share price	**16.3%**
Portfolio	**6.9%**
MSCI UK Quarterly Property Index	**5.3%**
FTSE All-Share Index	**11.1%**

Capital Values	Half year ended 30 June 2021	Year ended 31 December 2020	% change
Total assets less current liabilities (£'000)	**1,300,699**	1,249,861	4.1%
Net asset value per share	**124.8p**	117.5p	6.2%
Ordinary Share price	**90.6p**	80.0p	13.3%
EPRA Net Tangible Assets per share*	**124.8p**	117.6p	6.2%
FTSE All-Share Index	**4,014.74**	3,673.63	9.3%
Ordinary share price discount to net asset value per share*	**(27.4)%**	(31.9)%	
Net Gearing*	**20.4%**	22.6%	

Earnings and Dividends	Half year ended 30 June 2021	Half year ended 30 June 2020
Earnings per Ordinary Share	**9.1p**	(8.8)p
Dividends per Ordinary Share	**2.1p**	1.5p
EPRA Earnings per Ordinary Share*	**2.9p**	2.4p
Dividend yield*	**4.6%**	2.4%

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 2021

**Paul Marcuse,
Chairman**

As we move towards the end of the third quarter of 2021, it is a good time to pause for reflection on the journey so far over the first six months of the year. It has been challenging for all, on a personal and professional level, as many took on additional roles as educators and carers, while navigating a working world from a desk removed from our traditional office location.

The health crisis accelerated many of the existing trends, it did not create them, and so, while we are dealing with things that are changing more quickly than in the past, a lot of them are not new. Understanding long-term fundamentals and what this means for society and, by implication, real estate is important and helps us see through the mist and informs our decisions for the long-term.

The health crisis is not yet behind us, but there has been positive progress. Lockdown restrictions have been lifted, vaccination numbers have surpassed expectations and the economy has moved into expansion mode as consumers spend some of their forced lockdown savings while the government quite rapidly responded with fiscal and monetary support. All this to say that we are not out of the woods just yet, but perhaps the path ahead is a clearer one to navigate than six months ago.

The all-property total return for the three months to June was 3.4 per cent and in the twelve months to June was 6.5 per cent. Industrial continued to be a favoured sector, showing its resilience with a 7.5 per cent total return over the last quarter, buoyed by the further shift to online sales. While retail continues to struggle, it moved from a negative annual return to a 1.7 per cent positive return in the quarter to June with shopping centres and shops dragging down the performance of supermarkets and retail warehouses. Offices slowly gathered pace as businesses were generally more encouraging of employees to return to workplaces.

Performance for the Period

Against this backdrop, the Company's share price total return to shareholders over the six-months to 30 June 2021 was 16.3 per cent. The share price at the period-end was 90.6p, representing a discount of 27.4 per cent to the Net Asset Value ('NAV') per share of 124.8p. The increase in the share price is welcome although the discount is still wide and we are very intent on taking action to try and narrow this further over the coming months as the Company implements its future investment strategy and continues with its share buyback programme. At the time of writing, the share price is 95.7p*.

The NAV total return over the six months was 8.0 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 2020	117.5
Unrealised increase in valuation of direct property portfolio	6.2
Realised gain on sale of direct property portfolio	0.2
Capital expenditure on properties	(0.2)
Share buybacks	0.3
Other net revenue	2.9
Dividends paid	(2.1)
NAV per share as at 30 June 2021	**124.8**

The total return from the underlying portfolio was 6.9 per cent, outperforming the MSCI Quarterly Property Universe total return of 5.3 per cent. The income return from the portfolio over the period was 2.8 per cent, and the capital return was 4.1 per cent. The weakest sector in the MSCI Quarterly Universe was retail with the strongest returns coming from industrials, driven by rental growth and further yield compression.

* Closing price as at 28 September 2021

Rent Collection

It has continued to be a challenging time for many of the Company's tenants and a priority of the Manager has been 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 gradually improved now that government restrictions have been removed and for the second quarter of 2021 the level of collection currently stands at 91.6 per cent. This number is expected to increase further with discussions still ongoing with some tenants. More detailed information is available in the Managers' Review.

A similar pattern of collection has been experienced post period end with rental collections for the third quarter currently at 91.7 per cent.

Sales

Consistent with the strategy of adopting a higher level of activity within the portfolio as the Company moves to recycle capital and adjust sector weightings, the Company sold the retail warehouse located in East Kilbride, Scotland in May 2021 for a total consideration of £19 million, reflecting an increase of 9.2 per cent over the external valuation as at 31 December 2020. The property was let to B&Q Limited for one of its large format stores on a lease due to expire in November 2029.

In September 2021, the Company sold an office, Cassini House, located in St. James', London. The property is a prime multi-let freehold office building and represented the second largest holding in the portfolio. This was sold for a total consideration of £145.5 million, reflecting a substantial increase of 18.5 per cent over the year-end valuation as at 31 December 2020. The disposal represents the culmination of a long-term business plan which involved a complete refurbishment, introduction of new tenants and re-gearing of leases. Also in September, the Company sold a retail warehouse in Rochdale. This was sold for a total consideration of £35 million, reflecting an increase of 11.8 per cent over the year-end valuation as at 31 December 2020.

St Christopher's Place, London

Share Buybacks

As previously indicated, priority will be given to using sales proceeds to buyback shares in the Company if the high level of discount persists and if the Board believes that this course of action is in the best interests of all shareholders. Accordingly, the Board resolved to commence a share buyback programme following the East Kilbride sale and had purchased 6 million shares by the period end with the shares being held in treasury. This programme is ongoing.

Cash and Borrowings

The Company had approximately £56 million of available cash as at 30 June 2021 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 31 July 2022. This has been extended to 31 July 2023, with the option of a further one-year extension. As at 30 June 2021, the Company's loan to value ('LTV') was 20.4 per cent and the Company complied with its banking covenants.

Dividends

The Company paid six interim dividends of 0.35 pence per share during the period, totalling 2.1 pence per share and has continued to pay monthly dividends at this rate since the period end. The Board remains mindful of the importance of income to many shareholders and the monthly dividend rate remains under review as rent collection statistics improve and greater certainty is reached on the prospects for our tenants.

Environmental, Social and Governance (ESG)

The Managers and Board maintain a strong commitment to adopting high ESG standards, an ambition only 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 2021 ESG Report due in April 2022.

BMO

Our Manager is part of BMO Global Asset Management which is ultimately owned by the Bank of Montreal. It was announced on 12 April 2021 that Bank of Montreal has agreed to sell its European, Middle East and African (EMEA) asset management activities to Ameriprise Financial Inc. This sale is expected to conclude towards the end of 2021. For the UK element of this transaction the new owners will be Columbia Threadneedle, a subsidiary of Ameriprise. Columbia Threadneedle does not have an Investment Trust business in the UK and the Board has been informed that this will be a welcome addition to its portfolio. Both companies have confirmed the importance of maintaining the stability and continuity of the teams which presently support your Company, but the change of ownership and subsequent developments are issues that the Board will monitor closely in the coming months.

Board Changes

Martin Moore retired as Chairman of the Group at the last AGM on 17 June 2021, having served on the Board for just over 10 years. Martin's contribution was substantial, and I would like to thank him for his dedication and commitment throughout.

I have taken over as Chairman following Martin's retirement and look forward to the exciting challenge that lies ahead. Hugh Scott-Barrett, who joined the Board on 4 January 2021, has replaced me as Senior Independent Director.

Outlook

The world now is in a fundamentally different place than it was six months ago with large swathes of the population vaccinated and lockdown restrictions generally lifted. We have seen Government stimulus for the economy with most support schemes in place until the autumn..

The continued march of e-commerce is likely to continue and the restructuring of supply chains, to allow companies to establish and/or facilitate an omni-channel platform, will determine the survival of some and the demise of others, all the while supporting unrelenting demand for the wider industrial sector. Some haze exists as to exactly what the office sector will look like in the future, but there is more clarity, and a general leaning of companies to adopting a hybrid model with more areas in offices dedicated to creative and social space. But one size does not fit all, and a sensible, tailored approach is needed as each business and its people are different.

The Company has made good progress in implementing the investment strategy as highlighted in the 2020 Annual Report. Consistent with this strategy, we have completed three important disposals worth £199.5 million during recent months as we move to recycle capital and adjust sector weightings. In recognising the short-term impact of holding high cash balances, the Company is carefully considering the best use of the proceeds of the recent sales, including attractive investment opportunities, share buybacks and capital expenditure opportunities in the existing portfolio where planning consent has been achieved, as well as future ESG related expenditure.

As the economy continues to re-open and recover, the Board believes the Company should benefit from the underlying quality of the existing assets in the portfolio, as demonstrated by the uplift in valuations experienced in the most recent quarter.

Paul Marcuse
Chairman

29 September 2021

Managers' Review

Richard Kirby,
Fund Manager

Matthew Howard,
Deputy Fund Manager

Property highlights over the period

- Rent collection currently received since the onset of the pandemic in April 2020 to June 2021 is 91.6 per cent.
- Void rate reduced from 2.9 per cent at the start of the year to 1.9 per cent.
- The Company's portfolio produced a total return of 6.9* per cent versus the MSCI UK Quarterly Property Index ('MSCI') return of 5.3 per cent.
- Completed a £19 million property disposal, with further sales of £180.5 million in September 2021 as part of the strategy to adjust sector weightings.
- Asset management initiatives across the portfolio driving strong occupancy and value.
- Continued progress on ESG initiatives and on establishing our net zero carbon pathway.

* See Alternative Performance Measures on page 30.

Property Market Review

The second quarter of 2021 marked a turning point for real estate. The all-property total return improved dramatically in the three months to June 2021 posting 3.4 per cent, the strongest quarterly return performance for six years. Rental value growth at the all-property level, appears to have turned a corner and is positive at the all-property level, the first time in positive territory since late 2018. This recent performance is encouraging and gives grounds for cautious optimism although we are mindful that the full effects of the health crisis have yet to play out.

The industrial sector was the driving force behind this performance with Q2 recording the second highest quarterly return ever recorded for the sector. There were no meaningful regional disparities with all areas of the UK showing strong returns.

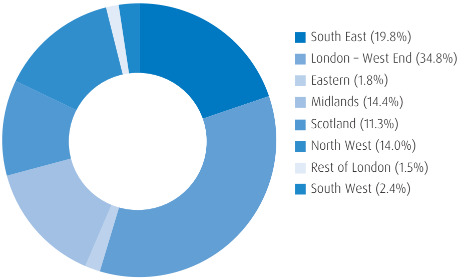
Retail also posted a positive total return in Q2, the first positive performance from the sector for three years, driven by retail warehouses. Shops and shopping centres are still both negative but there are signs of stabilisation.

Offices increased during the period with West End valuations improving as overseas investors looked to deploy capital into the sector.

Inevitably the occupational market has been impacted by Covid-19 restrictions with both winners and losers. The industrial sector, in particular logistics, urban and big box, have seen upward pressure on rents as occupational demand rises, vacancy is squeezed, and speculative construction struggling to keep pace with active requirements. Office occupiers, especially those with looming lease renewals are pushing for shorter lease terms and are either unable or unwilling to commit to lengthy terms unless substantial incentives are available. Headline office rents for well-located quality stock are stable for now, but with vacancy expected to rise over the remainder of the year, pressure will mount, and larger incentive packages could be on offer. Secondary and tertiary properties are most likely to see rental declines as space proves harder to let.

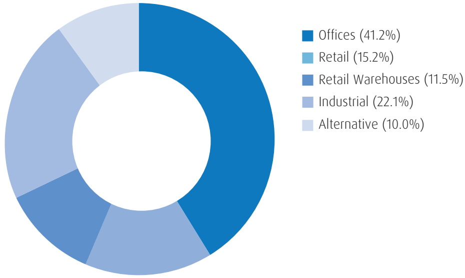
Retail will be interesting to watch as the government, for the second time, extended a ban on commercial evictions until 25 March 2022. This largely delayed resolution on the issue of rent arrears to be negotiated between tenant and landlord. The last three months have been important to the sector with improving sentiment and accelerating consumer demand both positives. However, costs are rising, furlough schemes are coming to an end and shortages of staff are intensifying. Not all retail is the same, and while footfall

Geographical Analysis
as at 30 June 2021, % of total property portfolio



Source: BMO REP

Sector Analysis
as at 30 June 2021, % of total property portfolio



Source: BMO REP

in shops and shopping centres is rising, this is from a low base. Retail warehouses/parks are leading the way with the accessibility, outdoor space and free parking favouring these schemes. Those that are food anchored will perform better, as will those with strong catchment areas and a convenience element to them.

Turning to the investment market, at the halfway stage of 2021, the significant story is the resurgence of the UK, which overtook Germany to become Europe's most invested-in real estate market. The second quarter investment volume reached £15.7bn, demonstrating the resilience of the UK property market and bringing the total for the first half of the year to £27bn. There is a clear preference for those sectors that are underpinned by their ability to offer long-term, defensive income plays such as industrial, residential and supermarkets. Importantly offices are gaining ground with more clarity emerging on the way offices will be used in the future.

Valuation and Portfolio

The six-month total return from the portfolio was 6.9 per cent compared with the MSCI return of 5.3 per cent. Capital growth from the portfolio was 4.1 per cent compared with the MSCI return of 3.0 per cent. The Company's industrial and logistics properties experienced strong growth due to a combination of both further yield compression and the asset management initiatives detailed below. Whilst the valuation of retail assets has been challenging it is notable that the Company's retail warehouses have now recorded their third successive quarter of increasing values. The retail, hospitality and leisure sectors were more resilient as lockdown restrictions were lifted.

The office portfolio valuations experienced in Central London improved as a weight of capital from overseas investors was directed towards the sector. There were some valuation falls in the South East and regionally on those properties with shorter lease terms.

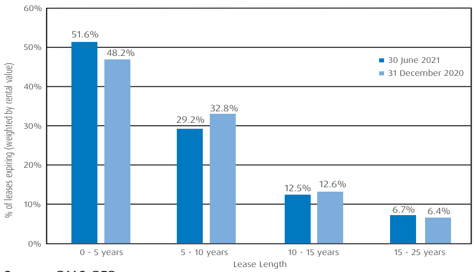
Income Analysis and Voids

We started the year with a void rate of 2.9 per cent and following leasing activity this has reduced this to 1.9 per cent, excluding property being developed or refurbished. As previously reported, there is still an expectation that voids will increase as the full economic impact of Covid-19 takes its toll.

The Property Manager has an in-house team which provides a full service across rent demand, credit control, service charge administration and purchase ledger. The team remains extremely focussed on rent collection and continues to engage with tenants to provide support where necessary on a case-by-case basis and to document outstanding agreements. Since the Government removed restrictions in the summer, we have seen tenants more motivated to seek to resolve their financial situations by reaching agreements.

Lease Expiry Profile

At 30 June 2021 the weighted average lease length for the portfolio, assuming all break options are exercised, was 6.0 years.



Source: BMO REP

Rent collection was at 91.8 per cent for the period with further receipts expected.

Collection by sector:

	Rent Billed (£m)	Collected (£m)	%
Industrial	6.4	6.3	98.8
Offices	14.6	14.3	98.6
Retail Warehouse	3.8	3.6	95.9
Retail	5.8	3.7	62.8
Alternatives	2.2	2.1	96.2
Total	**32.8**	**30.0**	**91.8**

Overall rent collection since the start of the pandemic is currently at 91.6 per cent.

Industrial & Logistics

During the last six months we have experienced significant success in completing a number of excellent, value accretive asset management opportunities within this segment of the portfolio.

We completed the lease re-gear with Kimberly-Clark at their 368,000 sq ft logistics facility at Revolution Park, Chorley. This lease was due to expire in June 2021, and the re-gear saw the tenant sign a new 12 year lease (with a break option at the end of the 7th year), and fixed annual uplifts of 2 per cent, which resulted in a valuation uplift of 32.3 per cent. A reversionary lease also completed with DHL Supply Chain Limited at G Park, Liverpool, a 360,000 sq. ft. distribution warehouse. A new 10-year lease was agreed from March 2021 with a tenant break at the end of the fifth year and the new rent reflected an uplift in excess of 10 per cent on the previous rent. DHL were granted a 6 months rent-free period by way of 12 months at half rent. This resulted in a valuation uplift of £4.5 million (7.5 per cent). These were the two largest leases due to expire in 2021 and it is reassuring that both existing tenants have renewed their leases and the Company has de-risked the portfolio to these events.

We also negotiated the settlement of the rent review at a 270,000 sq ft facility in Hams Hall, Birmingham, Nestlé's Purina pet food distribution hub. The review resulted in a 29.3 per cent increase in the passing rent, which resulted in an immediate valuation increase of 11.0 per cent. The Company also owns two other properties at Hams Hall and the new rental level negotiated had a positive impact on the valuation of these units.

In March 2021 Mothercare assigned their lease of their distribution warehouse at DIRFT, Daventry to Ceva Logistics, one of the largest third-party logistics operators in Europe. Entering into a direct contractual relationship with a tenant that has a superior credit rating had a significant impact on value.

In February 2021, a new letting of Hurricane 47, Estuary Business Park, Liverpool contracted to an online rug retailer. Kukoon Rugs entered into a 15-year lease (tenant break at 10 years) at a rent of £290,000 per annum and were granted 9 months' rent free.

At the Cowdray Centre, Colchester we had deferred commencing the development of a new 30,000 sq ft trade scheme due to Covid-19. Having undertaken a review, it is expected we will commit to the first phase of this development shortly.

Retail and Retail Warehouse

Newbury Retail Park

In February contracts were exchanged with TJ Morris, trading as Home Bargains, to take 20,000 sq ft formerly occupied by New Look and Next on a new 20-year lease (no breaks) at a rent of £17.50 per sq. ft. Construction work to combine the two units have completed and Home Bargains are targeting an opening date of 16th October. This new store will be an added attraction to the Park being a further move towards convenience-based retailing which is expected to be more sustainable in out of town locations.

Other asset management initiatives are in advanced negotiations and supporting planning applications have been submitted to facilitate these.

Solihull Retail Park

The construction of the new Marks & Spencer store unit and the refurbishment of the shopfront of the Food Hall completed in January on programme and to budget. M&S opened this new flagship store in June and report that the new concept is trading extremely well. The store has attracted an increased footfall to the Park and the car park is operating to near full capacity. The new lease is at a rent of £1.373 million per annum.

We have secured a change of use for the vacant former Multi York unit and it is now under offer to a Gym operator which will bring a new use onto the Park.

St. Christopher's Place Estate

Since the relaxation of lockdown restrictions on 12 April 2021, all tenants have re-opened at St Christopher's Place, although a small number of tenants have been forced to close for short periods of time due to staffing issues.

In the first 21 weeks since reopening in April 2021, footfall numbers have remained relatively strong; averaging 67 per cent of the same period in 2019 and reaching a similar level to the national average for high streets of 71 per cent. These levels are particularly positive when considered against the wider West End comparative with an average of 46 per cent, which remains suppressed due to the lack of international tourists and the office workers visiting the area. In 2019, over 50 per cent of West End footfall was international.

The end of restrictions in mid-July coincided with the traditional summer holidays and so, with many Londoners escaping the city, the potential boost to visitor numbers and trade has at times been hampered. With the arrival of the school term, it is expected that office workers will return to the West End although the frequency is likely to be below pre-pandemic levels, as businesses support a hybrid of working between the home and office.

Looking ahead, the traditional Christmas peak is much anticipated by retailers and hospitality, to claw back some of the lost trade over the past 18 months.

As previously reported, a number of restaurant lettings have been secured and in recent months James Street has welcomed the new openings of Crome, Papa-dum and Sidechick. The opening of Isola by San Carlo is expected in the coming weeks which will be transformative for the piazza area.

Festok, the artisan ice-cream brand opened at St Christopher's Place in time for Summer, and Emma Hyacinth, the ladies shoe retailer, will open imminently in their enlarged shop on St Christopher's Place. Terms are being worked up with a small number of exclusive brands to 'Pop-up' on the estate, enhancing the tenant line up and to drive customers to the estate.

From 6 September, we saw the return of many office workers to the West End. As a result, St Christopher's Place came the closest yet to matching 2019 footfall levels, hitting 85 per cent of the same week in 2019 versus the 56 per cent across the wider West End.

Offices

Two events completed in quarter two. At Alhambra House in Glasgow there was the completion of a lease extension with JP Morgan until 30 June 2023. The office building extends to c100,000 sq ft and for the period of the lease extension the annualised rent will be £2.5 million, an uplift of £0.5 million on the passing rent.

At 17A Curzon Street in London there was the completion of a letting of the 2nd floor to MA Family Office Ltd. The new 5-year lease has a tenant break after the third year and a rent of £130,350 per annum was agreed. The letting demonstrates the increase in occupier activity in major cities as restrictions ease.

The Alternative 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. Winchester continues to benefit from a long lease and annual RPI linked rent reviews. The University have paid their rent in full and on time. The occupation levels of the short-term residential units at St Christopher's Place has continued to improve whilst the leisure operators at Wimbledon are now able to trade.

Sales and Capital Receipts

Although it happened after the period end, it is important to mention that the Company has recently disposed of its second largest asset, Cassini House, St James Street, London SW1 at a price of £145.5 million which represented a net initial yield of 3.2 per cent. The sale price reflected an increase of 10.6 per cent over the period end valuation at 30 June 2021 and an increase of 18.5 per cent over the valuation as at 31 December 2020. The sale was the culmination of the asset plan to comprehensively refurbish the property, renew existing leases and re-let other floors all at rents in excess of £100 per sq ft and to dispose of the asset into an extremely strong and competitive Central London investment market. Also in September, the Company sold a retail warehouse in Rochdale. This was sold for a total consideration of £35 million, reflecting an increase of 11.8 per cent over the year-end valuation as at 31 December 2020.

In May the Company announced the sale of a solus retail warehouse located in East Kilbride, Scotland for a total consideration of £19 million, reflecting an increase of 9.2 per cent over the external valuation at 31 December 2020. The property is let to B&Q Limited for one of its large format stores on a lease due to expire in November 2029.

All of the sales are entirely consistent with the strategy of adjusting sector weightings by recycling capital.

A capital receipt of £2.42 million was received from the long leaseholder of a number of residential units at St Christopher's Place as a result of the completion of a statutory lease enfranchisement process to extend the leases. This covered 24 flats located in Greengarden House subject to leases which were due to expire in 2077 at nil rent. Under a statutory process the leases have been extended for a further 90 years until 2167.

Liverpool, Unit 2 The Hive, Estuary Business Park

Outlook

The last Covid-19 restrictions were lifted on 19 July 2021, providing a boost to the economy and expectations of pre-pandemic levels of activity returning towards the end of the year. However, headwinds remain, and the rising number of Covid-19 cases poses a downside risk to the outlook. Many consumers have saved over the past year, leaving them in in a strong position to support the recovery by taking on new credit and spending some of their excess savings.

Inflation rose in June as sectors previously closed due to the pandemic reopened and have started to raise prices. The expectation is for these effects to only have a temporary impact on inflation and it will gradually return towards the Bank of England's 2 per cent medium-term inflation target. The expectation is for the Bank of England to look through the temporary increase in inflation, keeping short-term interest rates on hold.

The outlook for the next six months is more positive, but there are challenges to be carefully navigated. There are also some changes that are here to stay, more embedded in everyday life. An increased online consumption and on a more frequent basis has been an obvious effect of the pandemic. More flexible working patterns, and not just in or out of the office but over multiple jurisdictions is something the legal world needs to grapple with. Attracting and retaining talent will become harder and more costly as convenience becomes more important and people live with more fluidity. Town centres will need to be creative and innovative to survive and above all, we as investors will need to be fleet of foot to adapt to the increasingly rapid changing environment.

It has been a strong six-months for the portfolio following a difficult period, particularly with regards to our retail properties. This underperformance was exacerbated by the pandemic with our hospitality and in-town retail tenants finding conditions particularly difficult. There has been positive momentum which should serve us well in the future as the asset management activity at the retail parks is breathing new life into these investments and St. Christopher's Place is starting to show signs of recovery. The Company has made good progress with its strategy to re-balance the portfolio following £199.5 million of targeted sales above their latest valuations. The Manager is actively sourcing appropriate investments to further reposition the portfolio in the coming months.

Richard Kirby & Matthew Howard
Fund Managers
BMO REP Asset Management plc

29 September 2021

Environmental, Social and Governance (ESG)

Highlights for the six-month period to 30 June 2021

The coronavirus pandemic remains a significant disruptor in business and life and presents an ongoing reminder of the power of nature. At the same time, topics such as the decline in biodiversity and climate change impacts continue to attract attention and concern from both scientists and legislators. Unprecedented events over the last six months - from record temperatures at the higher latitudes of the northern hemisphere to heavy rainfall and flooding in Europe and central London – serve to remind us of the fragility of the earth and our collective responsibility towards its protection.

As a Board, we continue to give considerable attention to our ESG commitments and support to our Property Manager in responding proactively to this important requirement. We have been attentive to market sentiment and to stakeholder expectations. With global attention focusing on the climate talks in Glasgow later this year, our focus will revolve around net zero carbon, and to establishing the Company's strategy and ambition for achieving this position. We aim to publish our target date and pathway for success in the latter half of 2021.

- The Company submitted to the 2021 GRESB (Global Real Estate Sustainability Benchmark) survey on schedule for both real estate and public disclosure modules. Results are due to be published on 1 October.
- The Company also submitted to the full tier of the CDP climate change module on schedule, with these results due to published by the end of the year.
- For its 2020 ESG Report, and for the third 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 ongoing distortion to consumption patterns on account of fluctuating occupancy levels due to Covid-19, compared to the six-month period to 30 June 2020, the Company has seen:
  - 5.7% like-for-like increase in energy consumption #
  - 5.2% increase in absolute energy consumption
  - 0.5% like-for-like reduction in carbon emissions #
  - 1.0% absolute reduction in carbon emissions
  - 11.0% increase in energy intensity
  - 21.1% like-for-like and absolute increase in water consumption #

These movements are not attributable to any particular asset but rather a reflection of positive and negative variations across the portfolio, measured and compared during times of unpredictable and varying occupations, governed to a large extent by periods of full and partial lockdown restrictions over the respective reporting timelines.

- The Company has improved visibility around its waste data collection and management processes across the portfolio where the landlord has operational control and responsibility for dealing with waste. We have determined that a very small amount of sanitary waste emanating from our office in Bristol is going to landfill and we have requested that this is redirected to incineration. Otherwise, over 99 per cent of waste is averted from landfill.
- Determined by number of directly managed assets, 100 per cent of sites within the portfolio are paying the real living wage to all service provider employees within scope in line with our target ambition of 100 per cent by the end of 2021.
- The distribution profile of Energy Performance Certificate (EPC) ratings remain broadly unchanged across the portfolio taking certificate expiry and renewal into account, ratings being in place for 100 per cent of demises.
- Improvements in EPC ratings have been realised through a number of refurbishment opportunities, for example with retail units 1a, 1b, 3 and 4 at Newbury Retail Park and unit 1 at Sears Retail Park Solihull where the existing C grades have each been improved to B ratings, whilst at the reconfigured residential spaces at 56 James Street, St Christopher's Place one D and four C ratings have been upgraded to one C and five B ratings.
- 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 2021 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 2021

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
Properties valued between £40 million and £50 million	
London SW19, Wimbledon Broadway	Retail/Alternative**
Winchester, Burma Road	Alternative
Chorley, Units 6 & 8 Revolution Park	Industrial
Properties valued between £30 million and £40 million	
Manchester, 82 King Street	Office
Crawley, The Leonardo Building, Manor Royal	Office
Aberdeen, Unit 1 Prime Four Business Park, Kingswells	Office
Aberdeen, Unit 2 Prime Four Business Park, Kingswells	Office
Rochdale, Dane Street	Retail
Daventry, Site E4, Daventry International Rail Freight Terminal	Industrial
Bristol, One Cathedral Square (footnote 1)	Office
Daventry, Site E4, Daventry International Rail Freight Terminal	Industrial
Birmingham, Unit 8 Hams Hall Distribution Park	Industrial
Liverpool, Unit 1, G. Park, Portal Way	Industrial
Birmingham, Unit 10a Hams Hall Distribution Park	Industrial
London W1, 17a Curzon Street	Office
Properties valued between £20 million and £30 million	
Uxbridge, 3 The Square, Stockley Park	Office
Glasgow, Alhambra House, Wellington Street	Office
Aberdeen, Unit 3 Prime Four Business Park, Kingswells	Office
London SW1, 2/4 King Street	Office
Colchester, The Cowdray Centre, Cowdray Avenue	Industrial
Properties valued between £10 million and £20 million	
London EC3, 7 Birchin Lane	Office
London W1, 16 Conduit Street (footnote 1)	Retail
Camberley, Watchmoor Park, Building C	Office
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
Edinburgh, Nevis/Ness Houses, 11/12 Lochside Place	Office
Camberley, Affinity Point, Glebeland Road	Industrial
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, particularly any permanent structural changes in the retail and office markets. 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 2020. 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 although liquidity risk has been managed down following recent property sales..

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

Paul Marcuse
Director

29 September 2021

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 six-month period ended 30 June 2021. 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 2021;
- 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.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Company is The Companies (Guernsey) Law, 2008 and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 2021

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 2021	Six months to 30 June 2021 £'000	Six months to 30 June 2020 £'000	Year to 31 December 2020* £'000
	Revenue			
	Rental Income	**32,415**	32,572	65,273
3	Other Income	**3,008**	–	–
	Total revenue	**35,423**	32,572	65,273
	Gains/(losses) on investment properties			
6	Unrealised gains/(losses) on revaluation of investment properties	**47,981**	(89,198)	(121,306)
6	Gain/(loss) on sale of investment properties realised	**1,353**	–	(22)
	Total income	**84,757**	(56,626)	(56,055)
	Expenditure			
	Investment management fee	**(3,411)**	(3,444)	(6,692)
4	Other expenses	**(2,260)**	(4,072)	(9,448)
	Total expenditure	**(5,671)**	(7,516)	(16,140)
	Operating profit/(loss) before finance costs and taxation	**79,086**	(64,142)	(72,195)
	Net finance costs			
	Interest receivable	**1**	49	49
	Finance costs	**(5,638)**	(5,463)	(11,210)
		(5,637)	(5,414)	(11,161)
	Profit/(loss) before taxation	**73,449**	(69,556)	(83,356)
	Taxation	**(656)**	(465)	(890)
	Profit/(loss) for the period	**72,793**	(70,021)	(84,246)
	Other comprehensive income			
	Items that are or may be reclassified subsequently to profit or loss			
	Movement in fair value of effective interest rate swap	**237**	(222)	(20)
	Total comprehensive income for the period	**73,030**	(70,243)	(84,266)
5	**Basic and diluted earnings per share**	**9.1p**	(8.8)p	(10.5)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 2021

Notes		30 June 2021 £'000	30 June 2020 £'000	31 December 2020* £'000
	Non-current assets			
6	Investment properties	**1,234,898**	1,231,458	1,205,293
	Trade and other receivables	**24,540**	20,283	20,593
		1,259,438	1,251,741	1,225,886
	Current assets			
6	Investment properties held for sale	**–**	5,235	–
	Trade and other receivables	**11,096**	13,809	11,589
	Taxation receivable	**134**	132	134
	Cash and cash equivalents	**56,187**	22,835	34,896
		67,417	42,011	46,619
	Total assets	**1,326,855**	1,293,752	1,272,505
	Current liabilities			
	Trade and other payables	**(25,709)**	(18,615)	(22,644)
		(25,709)	(18,615)	(22,644)
	Non-current liabilities			
	Trade and other payables	**(2,098)**	(1,692)	(1,677)
	Interest-bearing loans	**(308,614)**	(308,547)	(308,303)
	Interest rate swap	**–**	(439)	(237)
		(310,712)	(310,678)	(310,217)
	Total liabilities	**(336,421)**	(329,293)	(332,861)
	Net assets	**990,434**	964,459	939,644
	Represented by:			
7	Share capital	**7,934**	7,994	7,994
	Special reserves	**584,193**	589,593	589,593
	Capital reserves	**278,227**	261,023	228,893
	Hedging reserve	**–**	(439)	(237)
	Revenue reserve	**120,080**	106,288	113,401
	Equity shareholders' funds	**990,434**	964,459	939,644
8	**Net asset value per share**	**124.8p**	120.7p	117.5p

*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 2021

Notes		Share Capital £'000	Special Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
	At 1 January 2021	**7,994**	**589,593**	**228,893**	**(237)**	**113,401**	**939,644**
	Total comprehensive income for the period						
	Profit for the period	–	–	–	–	72,793	72,793
	Movement in fair value of interest rate swap	–	–	–	237	–	237
6	Gains on sale of investment properties realised	–	–	1,353	–	(1,353)	–
6	Transfer in respect of unrealised gains on Investment properties	–	–	47,981	–	(47,981)	–
	Total comprehensive income for the period	**–**	**–**	**49,334**	**237**	**23,459**	**73,030**
	Transactions with owners of the Company recognised directly in equity						
7	Shares held in Treasury	(60)	(5,400)	–	–	–	(5,460)
2	Dividends paid	–	–	–	–	(16,780)	(16,780)
	At 30 June 2021	**7,934**	**584,193**	**278,227**	**–**	**120,080**	**990,434**

(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
	At 1 January 2020	7,994	589,593	350,221	(217)	99,101	1,046,692
	Total comprehensive income for the period						
	Loss for the period	–	–	–	–	(70,021)	(70,021)
6	Movement in fair value of interest rate swap	–	–	–	(222)	–	(222)
6	Transfer in respect of unrealised losses on Investment properties	–	–	(89,198)	–	89,198	–
	Total comprehensive income for the period	**–**	**–**	**(89,198)**	**(222)**	**19,177**	**(70,243)**
	Transactions with owners of the Company recognised directly in equity						
2	Dividends paid	–	–	–	–	(11,990)	(11,990)
	At 30 June 2020	**7,994**	**589,593**	**261,023**	**(439)**	**106,288**	**964,459**

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 2020

Notes		Share Capital £'000	Special Reserves £'000	Capital Reserves £'000	Hedging Reserve £'000	Revenue Reserve £'000	Total £'000
	At 1 January 2020	7,994	589,593	350,221	(217)	99,101	1,046,692
	Total comprehensive income for the year						
	Loss for the year	–	–	–	–	(84,246)	(84,246)
	Movement in fair value of interest rate swap	–	–	–	(20)	–	(20)
6	Transfer in respect of unrealised losses on investment properties	–	–	(121,306)	–	121,306	–
6	Losses on sale of investment properties realised	–	–	(22)	–	22	–
	Total comprehensive income for the year	**–**	**–**	**(121,328)**	**(20)**	**37,082**	**(84,266)**
	Transactions with owners of the Company recognised directly in equity						
2	Dividends paid	–	–	–	–	(22,782)	(22,782)
	At 31 December 2020	**7,994**	**589,593**	**228,893**	**(237)**	**113,401**	**939,644**

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 2021	Six months to 30 June 2021 £'000	Six months to 30 June 2020 £'000	Year to 31 December 2020* £'000
	Cash flows from operating activities			
	Profit/(loss) for the period before taxation	**73,449**	(69,556)	(83,356)
	Adjustments for:			
	Finance costs	**5,638**	5,463	11,210
	Interest receivable	**(1)**	(49)	(49)
6	Unrealised (gains)/losses on revaluation of investment properties	**(47,981)**	89,198	121,306
6	(Gains)/losses on sale of investment properties realised	**(1,353)**	–	22
	(Increase) in operating trade and other receivables	**(3,454)**	(5,786)	(3,972)
	Increase in operating trade and other payables	**3,486**	991	5,087
	Cash generated from operations	**29,784**	20,261	50,248
	Interest received	**1**	49	49
	Interest and bank fees paid	**(5,567)**	(5,231)	(10,528)
	Taxation paid	**(656)**	(465)	(890)
		(6,222)	(5,647)	(11,369)
	Net cash inflow from operating activities	**23,562**	14,614	38,879
	Cash flows from investing activities			
	Sale of investment properties	**21,421**	–	5,585
6	Capital expenditure of investment properties	**(1,452)**	(5,683)	(12,080)
	Net cash inflow/(outflow) from investing activities	**19,969**	(5,683)	(6,495)
	Cash flows from financing activities			
2	Dividends paid	**(16,780)**	(11,990)	(22,782)
	Issue costs for Barclays £100m loan facility extension	**–**	–	(600)
7	Shares held in Treasury	**(5,460)**	–	–
	Net cash outflow from financing activities	**(22,240)**	(11,990)	(23,382)
	Net increase/(decrease) in cash and cash equivalents	**21,291**	(3,059)	9,002
	Opening cash and cash equivalents	**34,896**	25,894	25,894
	Closing cash and cash equivalents	**56,187**	22,835	34,896

*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' as adopted by the EU. 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 2020, 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 2020. 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 2021.

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

	Six months to 30 June 2021 PID Rate (pence)	**Six months to 30 June 2021 £'000**	Six months to 30 June 2020 PID Rate (pence)	Six months to 30 June 2020 £'000	Year to 31 December 2020 PID Rate (pence)	Year to 31 December 2020 £'000
In respect of the previous period:						
Ninth interim dividend	**0.35**	**2,798**	0.50	3,997	0.50	3,997
Tenth interim dividend	**0.35**	**2,798**	0.50	3,997	0.50	3,997
Eleventh interim dividend	**0.35**	**2,798**	0.50	3,996	0.50	3,996
Twelfth interim dividend	**0.35**	**2,798**	–	–	–	–
In respect of the period under review:						
First interim dividend	**0.35**	**2,798**	–	–	–	–
Second interim dividend	**0.35**	**2,790**	–	–	–	–
Third interim dividend	**–**	**–**	–	–	–	–
Fourth interim dividend	**–**	**–**	–	–	0.25	1,998
Fifth interim dividend	**–**	**–**	–	–	0.25	1,998
Sixth interim dividend	**–**	**–**	–	–	0.25	1,998
Seventh interim dividend	**–**	**–**	–	–	0.25	1,999
Eighth interim dividend	**–**	**–**	–	–	0.35	2,799
	2.10	**16,780**	1.50	11,990	2.85	22,782

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)**
Third interim dividend	16 July 2021	30 July 2021	0.35
Fourth interim dividend	13 August 2021	31 August 2021	0.35
Fifth interim dividend	10 September 2021	30 September 2021	0.35

Although these payments relate to the period ended 30 June 2021, under IFRS they will be accounted for in the period during which they are declared.

3. Other Income

On 2 March 2021, GB Gas Holdings Limited at 3 The Square, Stockley Park, Uxbridge paid £3 million surrender premium to the Group.

4. Other expenses

	Six months to 30 June 2021 £'000	Six months to 30 June 2020 £'000	Year to 31 December 2020 £'000
Direct operating expenses of rental property	**1,566**	1,223	2,799
Surrender payment to lessee	**–**	–	30
Credit loss provision*	**(56)**	2,100	5,062
Valuation and other professional fees	**245**	245	498
Directors' fees	**143**	124	249
Administration fee	**78**	78	156
Depositary fee	**70**	73	143
Other	**214**	229	511
	2,260	4,072	9,448

* 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 2020.

5. Earnings per share

	Six months to 30 June 2021	Six months to 30 June 2020	Year to 31 December 2020
Net profit/(loss) attributable to ordinary shareholders (£'000)	**72,793**	(70,021)	(84,246)
Earnings return per share – pence	**9.1p**	(8.8)p	(10.5)p
Weighted average of ordinary shares in issue during period	**798,723,703**	799,366,108	799,366,108

Earnings for the six months to 30 June 2021 should not be taken as guide to the results for the year to 31 December 2021.

6. Investment properties

	Six months to 30 June 2021 £'000	Six months to 30 June 2020 £'000	Year to 31 December 2020 £'000
Non-current assets - Investment properties			
Freehold and leasehold properties			
Opening fair value	**1,205,293**	1,314,973	1,314,973
Sales - proceeds	**(21,421)**	–	–
- (loss) on sale	**(2,308)**	–	–
Capital expenditure	**1,692**	5,683	11,626
Unrealised gains realised during the period	**3,661**	–	–
Unrealised gains on investment properties	**59,865**	2,969	15,922
Unrealised losses on investment properties	**(11,884)**	(92,167)	(137,228)
Closing fair value	**1,234,898**	1,231,458	1,205,293
Historic cost at the end of the period	**937,643**	953,738	959,680
Current assets - Investment properties held for sale			
Freehold properties			
Opening fair value	**–**	5,235	5,235
Sales - proceeds	**–**	–	(5,585)
- gain on sale	**–**	–	4,005
Capital expenditure	**–**	–	372
Unrealised losses realised during the period	**–**	–	(4,027)
Closing fair value of properties held for sale	**–**	5,235	–
Historic cost at the end of the period	**–**	1,208	–

6. Investment properties (continued)

	Six months to 30 June 2021 £'000	Six months to 30 June 2020 £'000	Year to 31 December 2020 £'000
(Losses)/gains on sale	(2,308)	–	4,005
Unrealised gains/(losses) realised during the period	3,661	–	(4,027)
Gains/(losses) on sales of investment properties realised	1,353	–	(22)

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

Appraised value prepared by CBRE excluding assets classified as held for sale	1,261,550	1,253,725	1,227,900
Lease incentives held as debtors	(26,652)	(22,267)	(22,607)
Closing fair value	1,234,898	1,231,458	1,205,293

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

Appraised value prepared by CBRE of assets classified as held for sale	–	5,585	–
Selling costs of assets held for sale	–	(350)	–
Closing fair value	–	5,235	–

All the Group's investment properties were valued as at 30 June 2021 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 2021 on a fair value basis and in accordance with The RICS Valuation – Global Standards (incorporating the International Valuation Standards) and UK national supplement ("the Red Book") current as at the valuation date.

There were no significant changes to the valuation process, assumptions and techniques used during the period, further details on which were included in note 8 of the consolidated financial statements of the Group for the year ended 31 December 2020.

As at 30 June 2021, 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).

7. Share capital

	Six months to 30 June 2021 No. of shares	Six months to 30 June 2021 £'000	Six months to 30 June 2020 No. of shares	Six months to 30 June 2020 £'000	Year to 31 December 2020 No. of shares	Year to 31 December 2020 £'000
Allotted, called-up and fully paid						
Opening Ordinary Shares of 1p each in issue	799,366,108	7,994	799,366,108	7,994	799,366,108	7,994
Ordinary Shares of 1p each, held in treasury	(6,000,000)	(60)	–	–	–	–
Closing Ordinary Shares of 1p each in issue	793,366,108	7,934	799,366,108	7,994	799,366,108	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 (2020: nil) raising net proceeds of £nil (2020: £nil).

The Company purchased 6,000,000 (2020:nil) Ordinary Shares during the period which are held in treasury.

8. Net asset value per share

	Six months to 30 June 2021	Six months to 30 June 2020	Year to 31 December 2020
Net asset value per ordinary share – pence	124.8p	120.7p	117.5p
Net assets attributable at the period end (£'000)	990,434	964,459	939,644
Number of ordinary shares in issue at the period end	793,366,108	799,366,108	799,366,108

9. Related party transactions

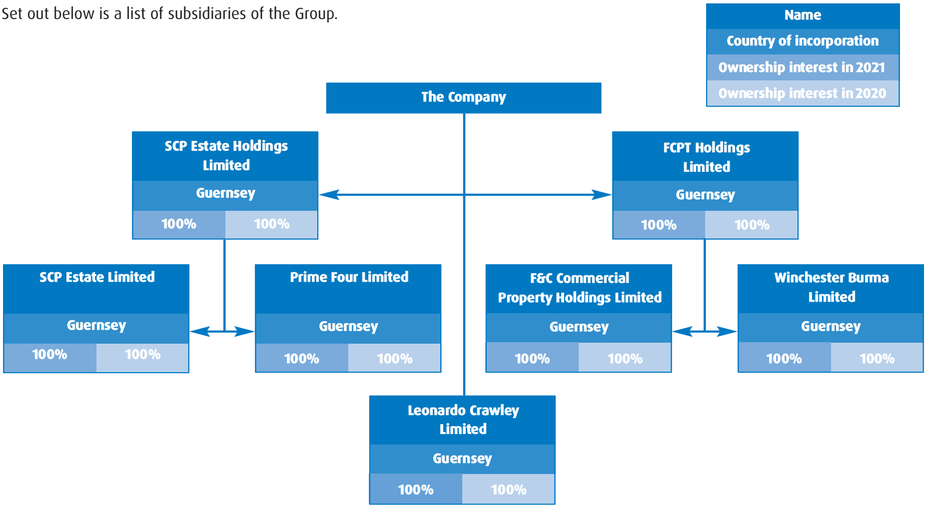
The Directors of the Company received fees for their services and dividends from their shareholdings in the Company. No fees remained payable at the period end.

10. Capital commitments

The Group had capital commitments totalling £nil as at 30 June 2021 (30 June 2020: £9,800,000; 31 December 2020: £5,200,000).

11. 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.

12. Subsequent events

On 12 April 2021, BMO announced its intention to sell its EMEA Asset Management business to Ameriprise Financial Inc, complementing its global asset management business, Columbia Threadneedle Investments. The sale is subject to regulatory consents and closing conditions which is expected to conclude in Q4 2021. This post balance sheet event does not adjust the financial statements.

On 7 September 2021, the Group sold the office located in London SW1, Cassini House for a total consideration of £145.5 million.

On 8 September 2021, the Group extended the loan facility with Barclays Bank PLC to 31 July 2023. A Restated Facility Agreement was entered into to deal with the cessation of the publication of LIBOR rates and its replacement with a risk-free rate, to be the Sterling Overnight Index Average ("SONIA"). Additional security was provided in the form of two properties to allow immediate access to the full £50 million of the currently undrawn revolving credit facility and the Company also entered into a new £50 million interest rate swap to fix the interest payable on the term loan up to 31 July 2023.

On 22 September 2021, the Group sold the retail warehouse located in Rochdale for a total consideration of £35 million.

Other than as noted above, there are no other significant events between the period-end and the date of approval of these financial statements which would require a change to or disclosure in the financial statements.

13. 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 2021/2022	
October 2021	Q3 Net Asset Value announcement
January 2022	Q4 Net Asset Value announcement
April 2022	Announcement of annual results
	Posting of Annual Report
June 2022	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 ISA

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

BMO Junior ISA (JISA)*

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

BMO Lifetime ISA (LISA)

For those aged 18-39, a Lifetime ISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

BMO Child Trust Fund (CTF)*

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

BMO General Investment Account (GIA)

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

BMO Junior Investment Account (JIA)

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

*The CTF and JISA accounts are opened by parents in the child's name and they have access to the money at age 18. **Calls may be recorded or monitored for training and quality purposes.

Charges

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

Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

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

Dealing charges

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

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits.

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

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

How to Invest

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

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

New Customers

Call:	**0800 136 420**** (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, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

bmoinvestments.co.uk

facebook.com/bmoinvestmentsuk

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

BMO 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 2020.

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 2021 £'000	30 June 2020 £'000
Profit/(loss) for the period			**72,793**	(70,021)
Add back:	Unrealised (gains)/losses on revaluation of investment properties		**(47,981)**	89,198
	(Gains) on sales of investment properties realised		**(1,353)**	–
	Other Income		**(3,008)**	–
Profit before investment gains and losses		(a)	**20,451**	19,177
Dividends		(b)	**16,780**	11,990
Dividend Cover percentage (c = a/b)		(c)	**121.9**	159.9

Dividend Yield – The dividends paid during the period 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 Net Tangible Assets – Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

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)
Paul Marcuse (Chairman) *
Hugh Scott-Barrett (appointed 4 January 2021) ‡
Trudi Clark #
John Wythe †
Linda Wilding

Secretary
Northern Trust International Fund
Administration
Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
Channel Islands GY1 3QL
+44 1481 745001

Alternative Investment Fund Manager ('AIFM') and Investment Managers
BMO Investment Business Limited
6th Floor
Quartermile 4
7a Nightingale Way
Edinburgh EH3 9EG
+44 207 628 8000

Property Managers
BMO REP Asset Management plc
7 Seymour Street
London W1H 7JW

Property Valuers
CBRE Limited
St. Martin's Court
10 Paternoster Row
London EC4M 7HP

Auditor
PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Glategny Esplanade
St. Peter Port
Guernsey GY1 4ND

Guernsey Legal Advisers
Carey Olsen (Guernsey) LLP
Carey House
Les Banques
St. Peter Port
Guernsey GY1 4BZ

UK Legal Advisers
Dickson Minto WS
16 Charlotte Square
Edinburgh EH2 4DF

Broker and Financial Adviser
Winterflood Securities Limited
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA

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 and Risk Committee
‡ Senior Independent Director

Website
bmocommercialproperty.com

BMO Commercial Property Trust Limited

Interim Report 2021

Registered office:

PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
Channel Islands GY1 3QL

+44 1481 745001

bmocommercialproperty.com

info@bmogam.com

Registrars:

Computershare Investor Services (Guernsey) Limited
c/o Queensway House
Hilgrove Street
St. Helier
Jersey
Channel Islands JE1 1ES

+44 370 7020003

computershare.com

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