For professional clients only, not suitable for retail investors.

Royal London Property Fund

Annual Report

For the year ended 31 December 2024

Contents

* The Authorised Corporate Director's report comprises these items.

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

Company Information

Company

Royal London Property Fund
Registered in England with Company Number IC000822

Registered office:
80 Fenchurch Street, London EC3M 4BY

Authorised Corporate Director (the "ACD")

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

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

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

T: 020 3272 5000

F: 020 7506 6501

Directors of the ACD

A.L. Hunt

H.I. Georgeson

J.M. Brett (Independent Non-executive Director)

J.M. Jackson (Independent Non-executive Director)

J.S. Glen (Appointed 1 April 2024)

R. Kumar

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

S. Spiller

Investment Adviser

Royal London Asset Management Limited

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

Authorised and regulated by the Financial Conduct Authority.

Depositary of the ACD

NatWest Trustee and Depositary Services Limited

250 Bishopsgate, London, EC2M 4AA

Authorised and regulated by the Financial Conduct Authority.

Registrar

SS&C Financial Services Europe Limited

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

Authorised and regulated by the Financial Conduct Authority.

Administrator to the ACD

HSBC Bank plc

8 Canada Square, Canary Wharf, London E14 5HQ

Authorised and regulated by the Financial Conduct Authority.

Independent Valuers

Cushman & Wakefield Debenham Tie Leung Limited

43/45 Portman Square, London W1A 3BG

Property Manager

Jones Long LaSalle Limited (JLL)

30 Warwick Street, London W1B 5NH

Independent Auditor

KPMG LLP
Chartered Accountants and Statutory Auditor

15 Canada Square, London E14 5GL

With effect 20 June 2024 PricewaterhouseCoopers LLP resigned as auditor of the Company. The Directors have appointed KPMG LLP as replacement.

Report of the Authorised Corporate Director

We are pleased to present the Annual Report and Financial Statements for the Royal London Property Fund (the "Company"), covering the year from 1 January 2024 to 31 December 2024.

About the Company

The Company is an open-ended investment company with variable capital (ICVC) which has Property Authorised Investment Fund (PAIF) status, as defined in Part 4A of the Tax Regulations and the Glossary to the FCA Handbook, incorporated in England on 28 May 2010. It is governed by the OEIC Regulations, the Collective Investment Schemes Sourcebook (COLL) and its Instrument of Incorporation. Registered in England with Company Number IC000822.

The shareholders are not liable for the debts of the Company.

Authorised status

The Company is a single sub-fund and a stand-alone Collective Investment Scheme as defined in the Financial Services and Markets Act 2000 which is categorised as a non-Undertaking for Collective Investments in Transferrable Securities retail scheme (NURS). The Company was authorised by the Financial Conduct Authority ("FCA") on 28 May 2010 and its Instrument of Incorporation was registered with the Registrar of Companies for England and Wales. The Company qualifies as an Alternative Investment Fund within the meaning of Alternative Investment Fund Managers Directive ("AIFMD") for the purposes of the FCA Rules.

A unit trust in umbrella form (Royal London Property Trust) was launched for those investors unable to invest directly in the Company.

The financial statements

As required by the OEIC Regulations, information for the Company has been included in these financial statements. We have provided a detailed description of the strategy that was adopted during the year under review.

Change of Independent Auditor

With effect from 20 June 2024 PricewaterhouseCoopers LLP resigned as auditor of the Company. The Directors appointed KPMG LLP as replacement.

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

For and behalf of Royal London Unit Trust Managers Limited

Authorised Corporate Director

R. Kumar (Director)

S. Spiller (Director)

22 April 2025

Statement of Authorised Corporate Director's Responsibilities

The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the "OEIC Regulations") and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company for the year and of its net revenue and the net capital losses on the property of the Company for the year.

The financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with all the requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 as amended in June 2017 (the "2014 SORP");
- follow UK accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland";
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- comply with the disclosure requirements of the Prospectus and instrument of incorporation;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared, comply with all the requirements of the Statement of Recommended Practice for Authorised Funds; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

The Authorised Corporate Director is responsible for the management of the Company in accordance with its Prospectus, the FCA's rules and Instrument of Incorporation and to use monitoring controls to enable preparation of financial statements free from material misstatements or error.

Investment Adviser's Report

Objective

The investment objective of the Company is to carry on Property Investment Business, and to manage cash raised from investors for investment in the Property Investment Business, with the intention of achieving a combination of capital growth and income (total return) over the long term (at least 7 years) by investing predominantly in UK commercial properties.

Strategy

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

Performance overview

Fund performance over the twelve months to December 2024 was 7.21%. This compares with the MSCI / AREF UK All Property Fund Index at 5.14%, an outperformance of 259 basis points.

Outperformance was delivered by positive capital growth across the portfolio, with all of the main sectors outperforming against the benchmark average. Investment returns were also boosted by the disposal of 41 Eastcheap, London, which was sold to a special purchaser for a sale price 15% ahead of the most recent valuation.

Market overview

Following on from two years of weak investment performance, when ungeared total returns from UK real estate were negative, 2024 saw a welcome return to positive territory as sentiment gradually improved as the year progressed. According to the MSCI UK Monthly Index, total returns over the calendar year were 7.0% across all sectors. This compares favourably to a long-term average of 5.5%, over the past 20 years. Performance during the final quarter of the year accelerated to 2.8%, the strongest single quarter since Q2 2022, when the market was rebounding after the pandemic.

The recovery in pricing has been supported by central banks reducing interest rates, which has subsequently improved investor sentiment in property. As a result, investors are increasingly seeking opportunities to deploy capital, in order to take advantage of this cyclical turning point. Recent evidence supports this, with transactional activity increasing towards the end of the year.

Looking at submarkets in more detail, the retail sector was the best performing area of the market with total returns of 10.4% over the past 12 months. This performance was driven by the retail warehouse sector, which benefitted from a combination of positive rental growth and yields tightening, in addition to a relatively high income return. The retail sector was closely followed by industrial sector where total returns stood at 9.2% for the year. Industrial assets continued to see strong increases in rental values with yields relatively stable year-on-year. The office sector lagged the wider market with returns of -0.2%. Office values declined over the 12 months, the result of yields continuing to drift out, however there were signs of stabilisation in the final quarter of the year.

Portfolio commentary

During the 12 months to December 2024, the Fund delivered a return of 7.21%, which was ahead of its benchmark. This is the fifth consecutive calendar year that the Fund has outperformed compared to its benchmark. The underlying portfolio delivered a total return of 8.52%, which comprised an income return of 5.25% and capital appreciation of 3.12%.

The portfolio holds an overweight allocation towards the industrial sector, which was beneficial last year, with the industrial sector outperforming the all-sector market average. In addition, the Fund's industrial portfolio outperformed the sector average, with total returns from its 12 industrial assets averaging 9.80%, compared to the benchmark at 9.07%.

Another contributing factor to the strong year was the retail warehouse portfolio. The retail warehouse portfolio delivered a total return of 14.70%, ahead of the sector average at 11.19%.

The office portfolio also outperformed during 2024. The portfolio is focused on Central London, where values have tended to be more resilient. The Fund also benefitted from the disposal of 41 Eastcheap to a special purchaser who paid a premium to acquire the building. Focusing on standing investments only, (which excludes transactions and development) valuations across the office portfolio moved by -1.36% over the twelve months to December 2024. This was ahead of the corresponding benchmark figure of -4.36%.

The biggest detractor to relative performance during 2024 was 28-32 Lexington Street, London, which saw a return of -8.9% over the year. The asset is a single-let office building in the heart of Soho approaching lease expiry. The Fund intends to refurbish this asset to create a best-in-class Net Zero Carbon (NZC) office building.

Investment Adviser's Report (continued)

Investment outlook

We believe that the outlook for property in 2025 remains positive. Economic growth is expected to sustain occupational demand, which enjoyed a strong end to 2024. A continuation of the rate-cutting cycle should support a recovery in capital values in the UK and globally.

Investor demand and risk appetite have risen, boosting competition for assets and is starting to drive prices higher albeit slowly. We expect this trend to intensify in 2025. Following the general election, the UK is considered relatively more stable than other large European economies, which will appeal to investors. As a result, we expect international investors to renew their appetite for UK property.

We forecast that all-property total returns will average 7.1% annually over the next five years, driven by some yield compression and rental growth. Certain sectors are expected to outperform this average. Among these are the industrial and living sectors, which are supported by strong fundamentals, particularly a limited supply. This suggests a strategy to focus investment on build-to-rent, healthcare, and industrial sectors.

Responsible Property Investment (RPI)

In 2024, we released our annual Responsible Property Investment (RPI) and our Net Zero Carbon (NZC) Progress reports. These publications showcase the substantial advancements made in implementing our RPI Strategy and NZC Pathway, initially introduced in 2021. We are actively engaged in multiple initiatives to integrate these strategies, aiming to generate positive environmental and social impacts for our investors, occupiers, and other key stakeholders.

- Continued undertaking Energy Performance Certificate (EPC) assessments across all assets. Over 2024, the proportion by floor area of A+ to B rated EPCs increased from 33% to 50%, whilst the proportion of C to G rated EPCs decreased from 67% to 43%. This highlights our commitment to delivering operationally efficient buildings for our occupiers and minimising our transitional risk.
- Completed flood risk assessments across all assets to identify those at highest risk of flooding both in the present day and in the future using climate projections. Detailed assessments have been undertaken on a further three assets within the Fund where the assessments identified a flood risk rating of Medium or above in the present day or an increase to Medium risk under the climate change scenario. Mitigation measures have been recommended, along with the estimated costs of implementation. Following completion of these detailed assessments, discussions with relevant stakeholders will be undertaken to help inform our investment strategy.
- Initiated the development of a solar photovoltaic (PV) specification guide to facilitate our progress towards NZC for which onsite renewable energy is crucial. This guide will set the minimum design and specification requirements for PV array installations, ensuring both occupier and landlord installations meet standards and protect the value of our assets. This guide will contribute towards us achieving our target of generating 9.5 GWh of onsite renewable energy by 2040, as outlined in our NZC Pathway.
- Commenced the development of occupier sustainable fit-out guides. This strategic initiative aims to ensure that our occupiers uphold the sustainability standards established during the design process of our buildings, whilst also supporting their own sustainability goals. These guides offer clear and comprehensive recommendations, including the selection of eco-friendly materials and energy efficient systems. Furthermore, they will enable us to better track the embodied carbon generated through the fit-out process, allowing for more accurate greenhouse gas (GHG) emissions reporting.
- Initiated updates to our Sustainable Acquisition Checklist following the eagerly anticipated 2024 update to the Better Buildings Partnership (BBP) Acquisition Toolkit. This will ensure that our due diligence process is considering any new regulatory changes as well as shifting Environmental, Social and Governance (ESG) priorities across the real estate industry. A robust due diligence process for assessing asset ESG performance of is critical to making well-informed investment decisions and ensuring resilience is integrated within the Fund.

Stephanie Hacking
Portfolio Fund Manager
Royal London Asset Management Limited
10 March 2025

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

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

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

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

Portfolio Statement

As at 31 December 2024

Investments	Holding	Tenure	Sector	31 December 2024 Market value (£'000)	31 December 2024 Total net assets (%)
Direct Properties					
Direct Properties Market Values up to £10m – 22.70% (31/12/23 – 22.22%)					
Cambridge – 24/26 Hills Street		Freehold	Offices		
Colchester – Axial Way		Freehold	Alternatives		
Eastleigh – St Georges Industrial Estate		Freehold	Industrial		
Havant – Downley Road		Freehold	Industrial		
Hove – 154 Old Shoreham Road		Freehold	Retail Warehouse		
Leeds – Spring Ram Retail Park		Freehold	Retail Warehouse		
Loughborough – Southfield Road		Leasehold	Alternatives		
Manchester – Fabrica, Great Ancoats Retail Park		Freehold	Alternatives		
Newbury – Newbury Trade Park		Freehold	Industrial		
Northampton – Swan Street		Leasehold	Alternatives		
Tamworth – Unit 2 Alpha Park		Freehold	Industrial		
Winchester – 18/20 High Street		Freehold	Retail		
Total Direct Properties Market Values up to £10m				**88,750**	**22.70**
Direct Properties Market Values between £10m and £20m – 30.15% (31/12/23 – 41.04%)					
Chessington – Compass Business Park		Freehold	Industrial		
Ellesmere Port – Junction 8 Business Park		Leasehold	Industrial		
Ascot – Kings Ride Park		Freehold	Industrial		
Northampton – Lodge Farm Trade Park		Freehold	Industrial		
Birmingham – Midpoint 105		Freehold	Industrial		
Aylesford – Bellington Way		Freehold	Industrial		
London W1 – 28-32 Lexington Street		Freehold	Offices		
Raynes Park – Coombe Lane		Leasehold	Retail		
Total Direct Properties Market Values between £10m and £20m				**117,900**	**30.15**
Direct Properties Market Values over £20m – 31.31% (31/12/23 – 25.64%)					
Hoddesdon – Trident Industrial Estate		Freehold	Industrial		
London W1 – 15-18 Rathbone Place		Freehold	Offices		
London W1 – 44-45 Great Marlborough Street		Freehold	Offices		
Milton Keynes – Cairngorm Retail Park		Freehold	Retail Warehouse		
Total Direct Properties Market Values over £20m				**122,450**	**31.31**
Collective Investment Schemes – 2.40% (31/12/23 – 2.41%)					
Industrial Property Investment Fund	5,278		Collective	8,934	2.28
Octopus Healthcare Fund	354		Collective	459	0.12
Total Collective Investment Schemes				**9,393**	**2.40**
Portfolio of investments				**338,493**	**86.56**
Adjustments to Fair Value*				**(1,889)**	**(0.48)**
Net other assets				**54,330**	**13.92**
Total net assets				**390,934**	**100.00**

* Fair value adjustments include lease incentive, rent free debtor and finance lease payables.

Summary of Material Portfolio Changes

For the year ended 31 December 2024

Significant Purchases

	Cost £'000
Havant – Downley Road	5,477
Subtotal	**5,477**
Total purchases for the year	**5,477**

Significant Sales

	Net proceeds £'000
Bracknell – 1 The Braccens	2,834
London EC3M – 41 Eastcheap	18,650
Subtotal	**21,484**
Total proceeds from sales for the year	**21,484**

Significant Capital Expenditure

	Cost £'000
Havant – Downley Road	1,896
Cambridge – 24/26 Hills Street	1,165
Hoddesdon – Trident Industrial Estate	1,118
London EC3M – 41 Eastcheap	701
London W1 – 28-32 Lexington Street	470
Subtotal	**5,350**
Total capital expenditure for the year	**6,349**

The purchases, sales, top 5 capital expenditure and top 5 valuation movements detail the material changes in the portfolio during the year.

Significant Valuation Movements

	Valuation Changes £'000
Hoddesdon – Trident Industrial Estate	4,550
Ellesmere Port – Junction 8 Business Park	1,450
Milton Keynes – Cairngorm Retail Park	1,300
London W1 – 15-18 Rathbone Place	1,250
London W1 – 28-32 Lexington Street	(2,100)
Subtotal	**6,450**

Comparative Tables

Class A Accumulation

Change in net assets per share	31/12/24 (p)	31/12/23 (p)	31/12/22 (p)
Opening net asset value per share	753.51	760.31	834.78
Return before operating charges*	68.67	13.46	(56.72)
Operating charges	(20.97)	(20.26)	(17.75)
Return after operating charges*	47.70	(6.80)	(74.47)
Closing net asset value per share	801.21	753.51	760.31
Retained distribution on accumulation shares	24.17	23.86	23.49
* after direct transaction costs of:	1.41	0.10	0.60
Performance			
Return after charges	6.33%	(0.89)%	(8.92)%
Other information			
Closing net asset value (£'000)	379,027	355,757	368,877
Closing number of shares	47,306,664	47,213,538	48,516,569
Operating charges excluding property expenses	0.62%	0.75%	0.87%
Property expenses	0.72%	0.67%	0.25%
Operating charges	1.34%	1.42%	1.12%
Direct transaction costs	0.18%	0.01%	0.07%
Prices			
Highest share price	790.98	751.31	888.90
Lowest share price	746.07	735.23	749.69

Class B Income

Change in net assets per share	31/12/24 (p)	31/12/23 (p)	31/12/22 (p)
Opening net asset value per share	272.37	284.63	321.53
Return before operating charges*	23.85	2.20	(25.52)
Operating charges	(5.06)	(5.65)	(2.46)
Return after operating charges*	18.79	(3.45)	(27.98)
Distributions on income shares	(8.66)	(8.81)	(8.92)
Closing net asset value per share	282.50	272.37	284.63
* after direct transaction costs of:	0.46	0.04	0.11
Performance			
Return after charges	6.90%	(1.21)%	(8.70)%
Other information			
Closing net asset value (£'000)	11,907	14,125	15,052
Closing number of shares	4,214,858	5,185,856	5,288,315
Operating charges excluding property expenses	0.62%	0.75%	0.87%
Property expenses	0.72%	0.67%	0.25%
Operating charges	1.34%	1.42%	1.12%
Direct transaction costs	0.18%	0.01%	0.07%
Prices			
Highest share price	278.78	277.87	336.47
Lowest share price	269.19	268.38	280.59

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

Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs.

Statement of Depositary's Responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the "OEIC Regulations"), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Report of the Depositary to the Shareholders of the Royal London Property Fund

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited

22 April 2025

Standing Independent Valuer's Report

Cushman & Wakefield Debenham Tie Leung Limited, acting in its capacity as appointed standing External Valuer to Royal London Property Fund (the "Company"), has valued the immoveables held by the Company as at 31 December 2024 in accordance with the RICS Valuation – Global Standards which incorporate the international Valuation Standards ("IVS") and the RICS UK Valuation Standards (the "RICS Red Book") edition current at the Valuation Date. It follows that the valuations are compliant with "IVS" and are in accordance with 8.4.13R of the Collective Investment Schemes sourcebook.

The immoveables have been valued on the basis of Fair Value as defined in the RICS Valuation – Professional Standards subject to existing leases. Royal London Unit Trust Manager, as the Authorised Corporate Director ("ACD"), has been provided with a full valuation certificate dated 31 December 2024.

We have been provided with information from the Fund's property managers including tenancy schedules and floor areas. We have assumed that the Fund's interests in the immoveables are not subject to any onerous restrictions, to the payment of any unusual outgoings or to any changes, easements or rights of way, other than those to which we have referred in our reports. We rely upon the property managers to keep us advised of any changes that may occur in the investments. We are not instructed to carry out structural surveys or test any of the service installations. Our valuations therefore have regard only to the general condition of the immoveables evident from our inspections. We have assumed that no materials have been used in the construction or subsequent alteration of the buildings which are deleterious, hazardous or likely to cause structural defects. We are not instructed to carry out investigations into environmental contamination which might affect the immoveables and our valuations assume the immoveables are not adversely affected by any environmental contamination.

In our opinion the aggregate value of the market values of the immoveables owned by the Company as at 31 December 2024 is £329,100,000. This figure represents the aggregate of the individual values attributable to the individual immoveables and should not be regarded as a valuation of the portfolio as a whole in the context of a sale as a single lot. This report should be read in conjunction with the full valuation certificate dated 31 December 2024 which sets out all assumptions and relevant caveats.

No allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. The immoveables are considered as if free and clear of all mortgages or other charges which may be secured thereon. Valuations are prepared and expressed exclusive of VAT. Pending clarity in the market's response to the International Property Measurement Standard (IPMS), we have continued to use floor areas as defined by the RICS Code of Measuring Practice 6th Edition 2007. This has been discussed and agreed with the ACD.

Cushman & Wakefield Debenham Tie Leung Limited

31 December 2024

Independent Auditor's Report to the Shareholders of Royal London Property Fund ('the Company')

Opinion

We have audited the financial statements of the Company for the year ended 31 December 2024 which comprise the Statements of Total Return, the Statements of Changes in Net Assets Attributable to Shareholders, the Balance Sheet, the Cashflow Statement, the Related Notes and Distribution Tables for the Company and the accounting policies set out on pages 18 to 20.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Company as at 31 December 2024 and of the revenue and the net capital gains on the property of the company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the ACD, the Depository, the Administrator and the Investment Adviser;
- Reading ACD board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

Independent Auditor's Report to the Shareholders of Royal London Property Fund (continued)

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

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the ACD and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

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

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

Authorised Corporate Director's (Royal London Unit Trust Managers Limited) responsibilities

As explained more fully in their statement set out on page 5 the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Shareholders of Royal London Property Fund (continued)

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Berry
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

22 April 2025

Financial Statements

Statement of Total Return

For the year ended 31 December 2024

	Note	31 Dec 2024 £'000	31 Dec 2024 £'000	31 Dec 2023 £'000	31 Dec 2023 £'000
Income					
Net capital gains/ (losses)	6		11,518		(15,622)
Revenue	7	21,848		22,184	
Expenses	8	(7,589)		(7,716)	
Net revenue before taxation		14,259		14,468	
Taxation	9	–		–	
Net revenue after taxation			14,259		14,468
Total return/(deficit) before distributions			25,777		(1,154)
Distributions	10		(14,277)		(14,527)
Change in net assets attributable to shareholders from investment activities			**11,500**		**(15,681)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2024

	31 Dec 2024 £'000	31 Dec 2024 £'000	31 Dec 2023 £'000	31 Dec 2023 £'000
Opening net assets attributable to shareholders		**369,882**		**383,929**
Amounts receivable on creation of shares	723		812	
Amounts payable on cancellation of shares	(2,679)		(10,888)	
		(1,956)		(10,076)
Change in net assets attributable to shareholders from investment activities		11,500		(15,681)
Dilution adjustment		86		215
Retained distributions on accumulation shares		11,422		11,495
Closing net assets attributable to shareholders		**390,934**		**369,882**

Balance Sheet

As at 31 December 2024

	Note	31 Dec 2024 £'000	31 Dec 2023 £'000
Assets			
Fixed assets:			
Land and buildings	22	327,211	325,850
Investments		9,393	8,901
Total fixed assets		336,604	334,751
Current assets:			
Debtors	11	14,845	11,812
Cash and bank balances	12	50,586	32,245
Total current assets		65,431	44,057
Total assets		402,035	378,808
Liabilities			
Creditors:			
Other creditors	13	10,301	8,111
Finance lease payable	14	783	783
Distribution payable		17	32
Total liabilities		11,101	8,926
Net assets attributable to shareholders		**390,934**	**369,882**

The notes on pages 18 to 32 are an integral part of these financial statements.

Financial Statements (continued)

Statement of Cash Flows

For the year ended 31 December 2024

	Note	31 Dec 2024 £'000	31 Dec 2023 £'000
Net cash inflow from operating activities	16	**12,740**	**13,520**
Distributions to shareholders		(2,870)	(3,048)
Interest received	7	676	507
Net cash generated from operating activities		**10,546**	**10,979**
Cash flows from investing activities			
Payments to acquire investments and capital expenditure		(11,480)	(1,069)
Receipts from sale of investments		21,145	5,535
Net cash inflow from investing activities		**9,665**	**4,466**
Net cash inflow before financing activities		**20,211**	**15,445**
Cash flows from financing activities			
Amounts received from creation of shares		723	812
Amounts paid on cancellation of shares		(2,679)	(10,888)
Dilution adjustment		86	215
Net cash outflow from financing activities		**(1,870)**	**(9,861)**
Net increase in cash during the year		**18,341**	**5,584**
Cash and bank balances brought forward		32,245	26,661
Cash and bank balances at the end of the year		**50,586**	**32,245**

The notes on pages 18 to 32 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2024

1. Significant accounting policies

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

Basis of preparation

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

Going concern

The ACD has undertaken a detailed assessment and continues to monitor the Company's ability to meet its liabilities as they fall due, including liquidity, declines in global capital markets and investor redemption levels. Based on this assessment, the Company continues to be open for trading and the Manager is satisfied the Company has adequate financial resources to continue in operation and meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Accordingly, it is appropriate to adopt the going concern basis in preparing the financial statements.

Basis of valuation of investments

Fair value of investment property

Investment properties owned by the Company which are classified under land and buildings are held either to earn rental income or for capital appreciation or both. Investment properties are measured initially on acquisition at their costs, including transaction costs. Acquisitions of investment properties are recognised where, by the end of the accounting year, there is a legally binding, unconditional and irrevocable contract. Additions to investment properties consist of costs of a capital nature.

Subsequent to initial recognition, investment properties are valued individually on a monthly basis by Cushman & Wakefield Debenham Tie Leung Limited in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuation Global Standards 2017 ("The Red Book") on the basis of Fair Value in accordance with FRS 102.

Fair value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller and is a product of rent and yield derived using comparison techniques.

The Company's properties are subject to an ongoing rolling programme of internal and external inspection by the standard independent valuers each year.

Fair value of collective investment schemes

Units in collective investments schemes are valued at bid-price if dually priced as provided by the relevant fund managers. The fair value of single priced collective investment schemes is their single price.

The Company considers the availability and punctuality of the valuation provided by the fund manager, which is based on the net asset value and, if necessary, can adjust it to obtain the best estimates of fair value at the reporting date. The fair value assigned to the collective investment schemes are based on a fair value pricing methodology as determined by the ACD.

Finance leased assets

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the equivalent yield. Incremental direct costs incurred in negotiating and arranging the lease, are included in the cost of the asset. The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Lessor operating leases

Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Lease incentives

Incentives received to enter into an operating lease are credited to the Statement of Total Return account, to reduce the lease expense, on a straight-line basis over the period of the lease.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

1. Significant accounting policies – continued

Provision for bad and doubtful debts

It is the policy of the Company to make provision for bad and doubtful debts which are based on objective evidence of impairment using available information to determine whether it has become probable, for example, that a debtor will enter bankruptcy. The amount of the loss is measured as the difference between the asset's carrying amount and the estimated recoverable amount and is recognised in the Statement of Total Return.

Cash and bank balances

Cash is cash in hand and at bank. Bank overdrafts are shown within borrowings in current liabilities where held.

Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the credit instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Shares

Shares are recognised as financial liabilities and are measured based on the NAV per share for each relevant share class as set out within the comparative tables.

Taxation

The Company qualifies as a Property Authorised Investment Fund ("PAIF") for tax purposes. Accordingly, the income generated by its property investment business will be exempt from tax. Any dividend income it receives from United Kingdom companies or, in general, from non-United Kingdom companies will also be exempt from tax. The Company would, however, be subject to tax in the unlikely event that there should be a net balance of other income, which will generally consist of interest but could include other property income, less deductible expenses and the gross amount of any PAIF interest distributions made or a tax charge otherwise arises.

The Company's distributions will be split into three streams for United Kingdom tax purposes:

1. Property income distributions, representing income from its property investment business;
2. PAIF dividend distributions representing any dividends received by it; and
3. PAIF interest distributions representing the net amounts of all other income received.

Capital allowances are accrued in line with the other policies in these statements. Capital deductions increase the distributable income of the Company. This income is classified as dividend for the purpose of the three streams.

Income tax has been provided for at an appropriate rate for distribution to Shareholders and the calculation of the Share price is net of tax. Property Income is taxed at 20%, interest income being taxed at 20% and dividend income at 0%.

Revenue recognition

Revenue includes rental income, insurance and service charges from investment properties and distributions from collective investment schemes.

Rental income

Rental income is accounted for on an accruals basis. Rental income received in advance is deferred and recognised in the period to which it relates. Rental income from properties where leases have been entered into, which have been let subject to an initial rent free period, or lease incentive, are accounted for on a straight-line basis in accordance with FRS 102. Additional rental income arising from rent reviews will be recognised once the review is complete.

Service charge income

The service charge is operated by the Company on a self-funding basis by collecting and disbursing service charge income to cover service charge expenses. Service charge income is recognised in the Statement of Total Return on an accruals basis.

Interest income

Interest income from bank balances and deposits is recognised on an accruals basis.

Collective Investment Schemes

Dividend income from collective investment schemes are accounted for on an accruals basis.

Expenses recognition

Expenses are classified as revenue based on the nature of the expenses such as, audit, fund management, service charge or other operating expenses. Expenses relating to or incidental to the purchase and sale of land and buildings and property under construction and stamp duty land tax are treated as capital. All expenses are recognised in Statement of Total Return in the period in which they are incurred (on an accruals basis).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

1. Significant accounting policies – continued

Expenses recognition – continued

Fund manager's fee

The fund manager's fee is calculated monthly, accrued on a daily basis by reference to the net asset value of each share class on that dealing day and the amount due for each month is payable the last working day of the following month.

The manager's fee is based on 0.60% of the net asset value of the previous month accrued on a daily basis across all share classes.

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

Service charge expenses

Service charge expenses represent the aggregate of all service charge expenses incurred by the Company's property portfolio and reported by the managing agent at year end.

Service charge expenses are recognised in the Statement of Total Return on an accrual basis.

Distribution to Shareholders

Dividends and other distributions to the Company's Shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's Depositary. These amounts are recognised in the Statement of Total Return. The reinvestment of the accumulation distribution is recognised in the Statement of Change in Net Assets Attributable to Shareholders.

Dilution levy

In certain circumstances the ACD may charge a dilution levy on the sale or repurchase of shares. The levy is intended to cover certain dealing charges not included in the value of the Company used in calculating the share price, which could have a dilutive effect. Normally the Company will only charge such a levy on a sub-fund experiencing large levels of net purchases or net redemptions relative to its size. Any dilution levy is charged at the discretion of the ACD.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the ACD, separate disclosure is necessary to understand the effect of the transactions on the Company's financial statements.

2. Estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Key accounting estimates and assumptions

Estimation of fair value of investment property

Investment property is measured at fair value which represents a significant proportion of the Company's net assets at 83.70% (31/12/23: 88.09%). Therefore, the estimates and assumptions made to determine their carrying value during valuation are critical to the Company's financial position and performance.

The valuation derived is only an opinion and is a product of rent and yield derived using comparison techniques. In undertaking the valuation of properties under this method, an assessment has been made on the basis of a collation and analysis of appropriate comparable investment, rental and sale transaction, together with evidence of demand within the vicinity of subject property.

Sensitivity analysis

The values of investment properties are driven by their rental yield. At the year end, the Company's portfolio had an equivalent yield of 5.74% (31/12/2023: 5.77%). If the yield of every property within the portfolio increased by 0.25% (31/12/2023: 0.25%) it is estimated that the net asset would fall by 3.49% (31/12/2023: 3.76%). If the yield decreased by 0.25% (31/12/2023: 0.25%) it is estimated that the net asset value would rise by 3.82% (31/12/2023: 4.11%). The 0.25% benchmark has been used to measure sensitivity analysis as the ACD believes that it is a good indicator of materiality in yield movements. These estimates are subject to the prevailing conditions at the year end.

The current equivalent yield by sector is shown in the following table, along with the potential impact to values if all the properties in the sector increased or decreased by 0.25%.

Sector	Weighted average equivalent Yield	Yield shift by Sector	Change in value if decrease in yield	NAV impact	Change in value if increase in yield	NAV impact
Industrial	6.00%	0.25%	6,449,000	1.65%	(5,926,000)	(1.52)%
Offices	4.98%	0.25%	4,951,000	1.27%	(4,471,000)	(1.14)%
Retail	5.98%	0.25%	2,166,000	0.55%	(1,991,000)	(0.51)%
Other	6.35%	0.25%	1,378,000	0.35%	(1,272,000)	(0.33)%

Critical judgements in applying the Company's accounting policies

The Company makes assessments on whether it requires any critical judgements in applying accounting policies. There were no critical judgements applied to any of the Company's accounting policies for the current year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

3. Distribution policies

Basis of distribution

The distribution policy of the Company is to distribute or accumulate all available property rents, interest and dividend income earned on an accruals basis, after deduction of charges and expenses payable, subject to adjustment for income tax and for any other expenses which may be transferred to capital (abortive costs and property gains and losses). Under the PAIF structure, the Company distributes income in three streams (property rents, interests and dividend income).

Distribution in respect of Income shares is paid out at the end of the relevant accounting period whilst distribution in respect of Accumulation shares is retained at the end of each distribution period and will be reflected in the price of each Accumulation share at the end of the relevant accounting period and represents a reinvestment of revenue.

All Share classes of the Company are priced and distribute on a monthly basis therefore there are no group 2 shares at the end of each distribution period and therefore no equalisation is applied to share class prices.

Apportionment to share classes

The allocation of revenue and expenses to each share class is based on the proportion of the Company's assets attributable to each share class on the day the revenue is earned or the expenses are suffered.

Expenses

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

4. Performance fee

In addition to the periodic management charge, the ACD is permitted under COLL to pay the Investment Adviser a performance fee from the Company.

This performance fee will only be paid after consideration of all other payments out of the Company and provided the Company meets certain performance objectives. Any such performance fee payable by the Company shall be paid in its entirety to the Investment Adviser.

The performance fee is payable monthly in arrears based on the performance of the Company over the prior 12 months. The performance fee will only be charged based on the formula shown below and depending on the Company's relative performance within the Benchmark Index.

Benchmark index

The Benchmark Index will be the MSCI/AREF UK Other Balanced Quarterly Property Fund Index ("Index"). This index is an industry standard property index which provides a broad and fair representation of the UK property funds peer group.

The Index is calculated and published on a quarterly basis following each calendar quarter end. Therefore, the performance fee accrued and paid for each month will be based on prior performance and may at times not reflect the Company's current performance.

If there is at any time another index which in the opinion of the Investment Adviser matches more effectively the objective of the Company, the ACD may, with the agreement of the Depositary and by giving not less than 60 days' written notice to Shareholders, substitute that index for the one referred to above and the performance fee shall be based on that new index instead.

As per the letter to shareholders dated 19 April 2023 in relation to changes in the objective and use of a new benchmark the MSCI/AREF UK All Property Index. The use of the benchmark will change from being a target to a comparator benchmark, meaning that outperforming it will not be an objective of the Company, although you will be able to use the new Benchmark to measure the Company's performance.

Performance fee calculation

The Company's quartile ranking against the Index for the most recently available period will be taken and applied to the following table:

- If performance as compared to the Index falls into the fourth (bottom) quartile of the index, then the performance fee will be negative at -0.10%.
- If performance falls into the third quartile of the index, then no performance fee will be payable.
- If performance falls into the second quartile of the index, then a performance fee of 0.10% will be payable.
- If performance falls into the first (top) quartile of the index, then a performance fee of 0.30% will be payable.

The performance fee calculation will be based on the most recently available MSCI PPFI Index rankings. The Index is typically published by MSCI in the third or fourth week of each calendar quarter; therefore the new Fund Performance ranking will be available for the three months following such publication. (If, for example, the Index for the year ending 31 December is published late in January, then this ranking will be used to determine the performance fee to be applied for January, February and March of that year).

The performance fee will be calculated, and paid by the Company on a monthly basis, at each monthly valuation point and will be paid to the Investment Adviser at the same time as the periodic management charge is also paid to the ACD.

As per the letter to shareholders dated 19 April 2023, the ACD has amended the Company's investment objective to remove the performance target and removal of the performance fee with effect from 1 July 2023.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

5. Risk management policies

In accordance with its investment objective, the Company holds financial instruments which may comprise:

- UK property and shares in collective investment schemes;
- Cash, liquid resources and short-term debtors and creditors that arise directly from the Company's operations; and
- Short term borrowings used to finance investments activity.

The risks set out below do not purport to be exhaustive and the Company may be exposed to risks of an exceptional nature from time to time.

Market price risk and valuation of property

Market risk is the risk of loss resulting from fluctuations in the market value of the Company's investments including, but not limited to, adverse property valuation movements.

Since the fair value of investment property represents a significant proportion of the Company's net assets at 83.70% (31/12/23: 88.09%), property values are exposed to a number of risk factors which may affect the total return of the Company. These may be attributable to changes to global or local economic conditions; local market conditions such as the price volatility of the UK commercial property markets or performance of individual properties; the financial conditions of tenants; changes in interest rates or exchange rates and other operational expenses; environmental laws and regulations; planning laws and other governmental legislation; energy prices and the relative attractiveness of real estate types or locations. In addition, real estate is subject to long-term cyclical trends that give rise to significant volatility in values.

Market price risk is minimised through holding a diversified portfolio that invests across various property sectors.

The ACD may employ derivatives solely for the purposes of Efficient Portfolio Management. The use of derivatives for EPM purposes is not expected to affect the risk profile of the Company. The use of these instruments may however from time to time expose the Company to volatile investment returns and increase the volatility of the net asset value of the Company. The Company does not currently use derivatives for investment purposes.

The Company adheres to the investment guidelines and investment and borrowing powers established in the Prospectus, instrument of incorporation and in the rules governing the operation of open ended investment companies.

Liquidity risk

Liquidity risk is the risk that cash cannot be raised, or investments sold at limited cost or in an adequate time frame to meet financial commitments such as redemptions.

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

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

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

5. Risk management policies – continued

Liquidity risk – continued

The following table provides a profile of the Company's liquidity.

	Within three months	Over three months but not more than one year	Over one year
As at 31 December 2024	**£'000**	**£'000**	**£'000**
Cash at bank	50,586	–	–
	%	**%**	**%**
Shareholding that can be redeemed	100	–	–
Portfolio capable of being liquidated	–	100	–
As at 31 December 2023	**£'000**	**£'000**	**£'000**
Cash at bank	32,245	–	–
	%	**%**	**%**
Shareholding that can be redeemed	100	–	–
Portfolio capable of being liquidated	–	100	–

The following table provides a maturity analysis of the Company's financial liabilities showing the remaining contractual maturities on an undiscounted basis.

	Within one year	Over one year but not more than five years	Over five years
As at 31 December 2024	**£'000**	**£'000**	**£'000**
Distribution payable	17	–	–
Finance lease payable	50	202	11,251
Other creditors	10,301	–	–
	10,368	**202**	**11,251**
As at 31 December 2023	**£'000**	**£'000**	**£'000**
Distribution payable	32	–	–
Finance lease payable	50	202	11,302
Other creditors	8,111	–	–
	8,193	**202**	**11,302**

Credit and counterparty risk

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

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

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

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

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

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

5. Risk management policies – continued

Credit and counterparty risk – continued

The Company's cash and short term deposits at 31 December 2024 amounted to £50.59m (31/12/2023: £32.25m). Deposits and interest rate deposits were placed with financial institutions with BBB+ or better credit ratings.

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

At 31 December 2024, taking into consideration any offset arrangements, the largest combines credit exposure to a single counterparty arising from money market deposits, liquid investments and derivatives was £50.59m (31/12/2023: £32.25m). This represents 12.58% (31/12/2023: 8.51%) of gross assets of the Company.

The deposit exposures are with UK banks.

Currency risk

Currency of foreign exchange risk is a financial risk that exists when a financial transaction is denominated in a currency other than the domestic currency of the Company.

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

Interest rate risk

The Company may at certain times invest cash on deposit. The Company held £50.59m (31/12/23: £32.25m) cash at the end of the year and has minimal exposure to interest rate risk. In times of low nominal interest rate, there may be no, negative or low interest paid on these holdings. In such circumstances, the Company could be subject to losses especially after charges are deducted.

The ACD assesses the interest rate risk and has determined that the interest rate risk is low and therefore no sensitivity analysis has been performed.

Inflation risk

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

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

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

On the other hand, sharp increase in construction and building costs may constrain the growth of new property stocks to some degree which would support property values. In fact, construction cost inflation has outrun other measures of inflation in recent years since high construction costs imply increased replacement costs for buildings and making existing property investments more valuable.

The ACD assesses the inflation risk and has determined that inflation risk is low and therefore no sensitivity analysis has been performed.

Leverage risk

Leverage risk is the uncertainty introduced by the method by which the ACD finances parts of its investments through borrowing.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

5. Risk management policies – continued

Climate risk

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

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

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

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

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

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

Economic and geopolitical risk

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

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

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

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

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

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

6. Net capital losses

	31 Dec 2024 £'000	31 Dec 2023 £'000
The net capital gains/(losses) during the year comprise:		
Non derivative securities unrealised gains	492	665
Investment property realised gains/ (losses)	1,967	(329)
Investment property unrealised gains/ (losses)	9,059	(15,958)
Net capital gains/(losses)	**11,518**	**(15,622)**

7. Revenue

	31 Dec 2024 £'000	31 Dec 2023 £'000
Property rental income	18,163	18,797
Service charge income	2,635	2,430
Bank interest	676	507
Overseas income*	374	450
Total revenue	**21,848**	**22,184**

* There is no FX impact to overseas income as the income received is wholly due to the Company's investments in the Industrial Property Investment Fund and Octopus Healthcare Fund. These are Jersey and Guernsey based entities and income is paid in pounds sterling.

8. Expenses

	31 Dec 2024 £'000	31 Dec 2023 £'000
Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director and their agents:		
Authorised Corporate Director's fee	2,220	2,525
Performance fee	–	187
	2,220	2,712
Payable to the Depositary, associates of the Depositary and their agents:		
Depositary's fee	74	75
Other expenses		
Recoverable service charges	2,635	2,430
Other property expenses*	1,254	952
Surveyor's fee	533	542
Valuation fee	138	93
Managing agent fees	133	59
Irrecoverable service charges	118	321
Legal fees	196	84
Repairs and maintenance	107	115
Audit fee**	82	80
Head rent	57	38
Bad and doubtful debts	42	215
	5,295	4,929
Total expenses	**7,589**	**7,716**

* Other Property Expenses is made up of miscellaneous expenses relating to management of the fund.

** Audit fee £70,848 (31/12/23: £71,461) excluding VAT. This includes £11,070 (31/12/23: £8,328) paid on behalf of the Royal London Property Trust.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

9. Taxation

The Company qualifies as a Property Authorised Investment Fund (PAIF) for tax purposes. Accordingly, the income generated by its property investment business will be exempt from tax. Investors pay tax on the distributions according to individual circumstances. Individual investors may want to consult with their financial advisor on how they are affected.

In order that investors are taxed efficiently the distributions of the PAIF Fund will be split into up to three streams for United Kingdom tax purposes:

i. Property income distributions, representing income from the Company's Property Investment Business;
ii. PAIF dividend distributions representing any dividends received by the Company and certain other income; and
iii. PAIF interest distributions representing the net amount of all other income received by the Company.

The Company undertakes property investment business. Capital allowances are accrued in line with the other policies in these statements. Capital deductions increase the distributable income of the Company. This income is classified as dividend for the purpose of the three streams.

Property income distributions are made to Shareholders with 20% income tax deducted. PAIF interest distributions were made gross before this income tax of 20% was also deducted. Investors may be able to reclaim or offset this tax paid and should consult with their advisor. Dividend distributions no longer have a UK tax credit, the first £5,000 of dividends (including PAIF dividend distributions) received by a United Kingdom resident individual each tax year will be exempt from income tax.

a) Analysis of charge for the year

	31 Dec 2024 £'000	31 Dec 2023 £'000
Corporation tax	–	–
Current tax charge	**–**	**–**

b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (31/12/23: lower) than the standard rate of corporation tax in the UK for Open Ended Investment Companies (20%).

The differences are explained below:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Net revenue before taxation	14,259	14,468
Corporation tax at 20%	2,852	2,894
Effects of:		
Revenue not subject to taxation	(2,852)	(2,894)
Current tax charge for the year	**–**	**–**

Authorised Open Ended Investment Companies are exempt from tax on capital gains in the UK, therefore any capital gains/(losses) are not included in the reconciliation above.

c) Deferred tax

There was no provision required for deferred tax at the balance sheet date (31/12/23: same).

10. Distributions

The distributions take account of income received on the issue of shares and income deducted on the cancellation of shares and comprise:

	31 Dec 2024 £'000	31 Dec 2023 £'000
Accumulation shares		
Interim	10,881	10,702
Final	540	793
	11,421	**11,495**
Income shares		
Interim	378	429
Final	17	32
	395	**461**
Add: Income tax withheld on Property Income Distributions	2,461	2,571
Net distributions for the year	**14,277**	**14,527**

Details of the distribution per share are set out on pages 33 and 34.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

11. Debtors

	31 Dec 2024 £'000	31 Dec 2023 £'000
Managing agent	6,552	4,120
Rental income receivable*	3,281	1,979
Rent free debtor	2,253	3,308
Service charge receivable	1,276	1,158
Other debtors	1,065	773
Lease incentive	418	474
Total debtors	**14,845**	**11,812**

* Rental income receivable is shown after deducting a provision for bad and doubtful debts of £309,952 (31/12/23: £269,719). The provision for doubtful debts is calculated based on the incurred loss model in accordance with FRS 102. The charge to the Statement of Total Return in relation to write-offs and provisions made against doubtful debts was £42,000 (31/12/23: £215,000).

12. Cash and bank balances

	31 Dec 2024 £'000	31 Dec 2023 £'000
Cash and bank balances	50,586	32,245
Total cash and bank balances	**50,586**	**32,245**

13. Other creditors

	31 Dec 2024 £'000	31 Dec 2023 £'000
Deferred rent	3,487	3,959
Other creditors	3,284	1,247
Service charge payable	1,276	1,158
Accrued expenses	1,174	465
VAT payable	569	702
Tax payable	511	580
Total other creditors	**10,301**	**8,111**

14. Finance lease payable

The following property has finance lease commitments:

Ellesmere Port – Junction 8 Business Park

	31 Dec 2024 £'000	31 Dec 2023 £'000
Commitments in relation to finance leases are payable as follows:		
No later than one year	50	50
Later than one year and not later than five years	202	202
Later than five years	11,251	11,302
Minimum lease payments	11,503	11,554
Future finance charges	(10,720)	(10,771)
Total lease liabilities	**783**	**783**
The present value of finance lease liabilities is as follows:		
No later than one year	48	48
Later than one year and not later than five years	166	166
Later than five years	569	569
Minimum lease payments	**783**	**783**

15. Operating leases

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	31 Dec 2024 £'000	31 Dec 2023 £'000
No later than one year	13,000	18,148
Later than one year and no later than five years	33,409	72,591
Later than five years	14,369	46,883
Total	**60,778**	**137,622**

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

16. Reconciliation of total return before distributions to net cash flow from operating activities

	31 Dec 2024 £'000	31 Dec 2023 £'000
Total return/(deficit) before distributions	25,777	(1,154)
Less: Net capital (losses)/gains	(11,518)	15,622
Less: Interest received	(676)	(507)
Net income from operating activities	**13,583**	**13,961**
Increase in debtors	(3,033)	(1,241)
Increase in creditors	2,190	800
Net cash inflow from operating activities	**12,740**	**13,520**

17. Reconciliation of number of shares

	Class A Accumulation	Class B Income
Opening shares issued at 01/01/24	47,213,538	5,185,856
Shares issued	94,828	–
Shares cancelled	(1,702)	(970,998)
Closing shares at 31/12/24	**47,306,664**	**4,214,858**

18. Contingent liabilities and outstanding commitments

There were no contingent liabilities or outstanding commitments at the Balance Sheet date (31/12/23: same).

19. Related party transactions

The Company's Authorised Corporate Director, Royal London Unit Trust Managers Limited is a related party to the Company as defined by Section 33 "Related Party Disclosures" of FRS 102.

Authorised Corporate Director fees charged by Royal London Unit Trust Managers Limited are shown in note 8 and details of shares created and cancelled by Royal London Unit Trust Managers Limited are shown in the Statement of Changes in Net Assets Attributable to Shareholders. At the year end the balance due to Royal London Unit Trust Managers Limited in respect of these transactions was £192,000 (31/12/23: £185,000).

RLGPS Trustee Limited as a material shareholder, is a related party holding shares comprising 12.76% (31/12/23: 21.33%) of the total net assets of the Company as at 31 December 2024.

The Royal London Property Trust as a feeder vehicle for the Company holds shares comprising 79.89% (31/12/23: 68.05%) of the total net assets of the Company.

20. Financial instruments

The policies applied to the management of the financial instruments are set out in note 2. The fair values of the Company's assets and liabilities are represented by the values shown in the Balance Sheet on page 16. There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

The Company's financial assets comprise cash, on which interest is receivable. However, no interest is receivable or payable on the Company's other assets (debtors) or liabilities (creditors).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

21. Portfolio transaction costs

For the year ended 31 December 2024

Analysis of total purchase costs	Value £'000	Commissions and legal fees £'000	%	Taxes £'000	%	Total £'000
Downley Road, Havant	5,130	50	0.97	297	5.79	5,477
Total	**5,130**	**50**		**297**		**5,477**

Analysis of total sales costs	Value £'000	Commissions and legal fees £'000	%	Taxes £'000	%	Total £'000
Bracknell 1 The Braccens	2,834	21	0.75	–	–	2,855
London EC3M – 41 Eastcheap	18,650	317	1.70	–	–	18,967
Total	**21,484**	**338**		**–**		**21,822**

Commissions, taxes and fees as % of average net assets

Commissions and legal fees	0.0010%
Taxes	0.0008%

For the year ended 31 December 2023

There were no purchases for the year ended 31 December 2023

Analysis of total sales costs	Value £'000	Commissions and legal fees £'000	%	Taxes £'000	%	Total £'000
Aberdeen – Badentoy Avenue	2,450	35	1.42	–	–	2,485
Guildford – 59 High Street	3,150	13	0.42	–	–	3,163
Total	**5,600**	**48**		**–**		**5,648**

Commissions, taxes and fees as % of average net assets

Commissions and legal fees	0.0001%
Taxes	0.0000%

Portfolio transaction costs are commissions and legal fees paid to agents and advisers, and transfer taxes and duties associated with investment transaction on the Company.

As at balance sheet date the portfolio dealing spread of the Company was 7.33% (31/12/23: 7.33%).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

22. Fair value of investments

The primary financial instruments held by the Company at 31 December 2024 were property related investments, cash, short term assets and liabilities to be settled in cash. The Company did not hold, and was not a counterparty to, any derivative instruments either during the year or at the year end.

The policies applied to the management of the financial instruments are set out in note 2. The fair values of the Company's assets and liabilities are represented by the values shown in the Balance Sheet on page 16. There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

The fair value of investments has been determined using the following hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the year ended 31 December 2024

Level	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Collective Investment Schemes	–	–	9,393	9,393
Total	**–**	**–**	**9,393**	**9,393**

For the year ended 31 December 2023

Level	1 £'000	2 £'000	3 £'000	Total £'000
Investments				
Collective Investment Schemes	–	–	8,901	8,901
Total	**–**	**–**	**8,901**	**8,901**

The above assets have been classified as level 3 due to redemptions being capped at 10% for the year.

At the current year end, the level 3 assets held were the Industrial Property Investment Fund and Octopus Healthcare Fund. These assets have been included as level 3 due to the possibility of restrictions being imposed on their redemption rights.

Reconciliation to Market Value

	31 Dec 2024 £'000	31 Dec 2023 £'000
Reconciliation to Fair Value – Land and Buildings		
Cost		
At 1 January	291,400	304,033
Additions – acquisitions	5,130	–
Additions – subsequent expenditure	6,350	1,069
Disposals	(32,411)	(13,702)
At 31 December	**270,469**	**291,400**
Revaluation Surplus		
At 1 January	34,450	42,570
Revaluations in the year	20,325	(7,791)
Transferred to realised	1,967	(329)
At 31 December	**56,742**	**34,450**
At 31 December	**327,211**	**325,850**
Reconciliation to Market Valuation		
Book value at 31 December	327,211	325,850
Rent free debtor adjustment	2,254	3,308
Capital lease incentive adjustment	418	474
Finance lease adjustment	(783)	(783)
Market value reported by valuers	**329,100**	**328,849**

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

23. Events after the end of the reporting year

The final distribution for the year ended 31 December 2024 was paid on 14 January 2025.

The Company completed on the purchase of Eastern Avenue Retail Park for £26.85m in February 2025, the purchase is in line with the objectives of Company.

There have been no sale of investments since the balance sheet date.

There have been no significant redemptions since the balance sheet date.

The impact of the volatility on the Company's NAV between the end of the reporting year and the date of which the financial statements were authorised for issue are shown below:

	Price 31 Dec 2024 (p)	Price 31 Mar 2025 (p)	Movement (%)
Royal London Property Fund, Class A Accumulation	790.98	800.45	1.20%
Royal London Property Fund, Class B Income	278.78	280.18	0.50%

As per the letter to the shareholders dated 28 February 2025, the ACD, after careful consideration of the changing nature of property markets, the liquidity profile and the expected outcomes for the Company may no longer be appropriate for a retail investor. The ACD has decided to no longer market the Company to retail investors, retail investors currently invested in the Company via a platform may continue to hold their shares but may not purchase further shares in the Company.

Distribution Tables

For the year ended 31 December 2024

Class A Accumulation

Distribution in pence per share

Distribution period	Property income distribution per share	Interest income distribution per share	Dividend income distribution per share	Equalisation	Total Distribution per share 2024	Total Distribution per share 2023
January						
Group 1	2.7973	0.1134	0.0997	–	3.0104	1.7849
Group 2	2.7973	0.1134	0.0997	–	3.0104	1.7849
February						
Group 1	1.7224	0.0957	0.1000	–	1.9181	2.0348
Group 2	1.7224	0.0957	0.1000	–	1.9181	2.0348
March						
Group 1	1.6652	0.1039	0.0990	–	1.8681	1.9461
Group 2	1.6652	0.1039	0.0990	–	1.8681	1.9461
April						
Group 1	1.9271	0.0955	0.1003	–	2.1229	1.9662
Group 2	1.9271	0.0955	0.1003	–	2.1229	1.9662
May						
Group 1	1.5596	0.0865	0.0998	–	1.7459	1.9424
Group 2	1.5596	0.0865	0.0998	–	1.7459	1.9424
June						
Group 1	1.7124	0.0927	0.1002	–	1.9053	1.3686
Group 2	1.7124	0.0927	0.1002	–	1.9053	1.3686
July						
Group 1	1.7115	0.0966	0.1010	–	1.9091	2.3899
Group 2	1.7115	0.0966	0.1010	–	1.9091	2.3899
August						
Group 1	1.8358	0.0966	0.9348	–	2.8672	2.0137
Group 2	1.8358	0.0966	0.9348	–	2.8672	2.0137
September						
Group 1	1.6440	0.0759	–	–	1.7199	2.0017
Group 2	1.6440	0.0759	–	–	1.7199	2.0017
October						
Group 1	1.7187	0.0968	0.1012	–	1.9167	2.3330
Group 2	1.7187	0.0968	0.1012	–	1.9167	2.3330
November						
Group 1	1.8350	0.1042	0.1011	–	2.0403	2.4028
Group 2	1.8350	0.1042	0.1011	–	2.0403	2.4028
December						
Group 1	–	0.1247	1.0172	–	1.1419	1.6795
Group 2	–	0.1247	1.0172	–	1.1419	1.6795

Distribution Tables (continued)

For the year ended 31 December 2024

Class B Income

Distribution in pence per share

Distribution period	Property income distribution per share	Interest income distribution per share	Dividend income distribution per share	Equalisation	Total Distribution per share 2024	Total Distribution per share 2023
January						
Group 1	1.0158	0.0412	0.0362	–	1.0932	0.6680
Group 2	1.0158	0.0412	0.0362	–	1.0932	0.6680
February						
Group 1	0.6231	0.0346	0.0362	–	0.6939	0.7599
Group 2	0.6231	0.0346	0.0362	–	0.6939	0.7599
March						
Group 1	0.6010	0.0375	0.0357	–	0.6742	0.7249
Group 2	0.6010	0.0375	0.0357	–	0.6742	0.7249
April						
Group 1	0.6939	0.0344	0.0361	–	0.7644	0.7305
Group 2	0.6939	0.0344	0.0361	–	0.7644	0.7305
May						
Group 1	0.5601	0.0311	0.0358	–	0.6270	0.7199
Group 2	0.5601	0.0311	0.0358	–	0.6270	0.7199
June						
Group 1	0.6136	0.0332	0.0359	–	0.6827	0.5060
Group 2	0.6136	0.0332	0.0359	–	0.6827	0.5060
July						
Group 1	0.6119	0.0345	0.0361	–	0.6825	0.8821
Group 2	0.6119	0.0345	0.0361	–	0.6825	0.8821
August						
Group 1	0.6548	0.0344	0.3334	–	1.0226	0.7410
Group 2	0.6548	0.0344	0.3334	–	1.0226	0.7410
September						
Group 1	0.5842	0.0270	–	–	0.6112	0.7347
Group 2	0.5842	0.0270	–	–	0.6112	0.7347
October						
Group 1	0.6095	0.0343	0.0359	–	0.6797	0.8542
Group 2	0.6095	0.0343	0.0359	–	0.6797	0.8542
November						
Group 1	0.6492	0.0369	0.0358	–	0.7219	0.8771
Group 2	0.6492	0.0369	0.0358	–	0.7219	0.8771
December						
Group 1	–	0.0440	0.3590	–	0.4030	0.6112
Group 2	–	0.0440	0.3590	–	0.4030	0.6112

Fact File

Royal London Property Fund

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

Remuneration Policy (unaudited)

The Authorised Corporate Director ("ACD") of the Royal London Property Fund, Royal London Unit Trust Managers Limited ("RLUTM"), is subject to remuneration policies, procedures and practices (together, the "Remuneration Policy"), as required under the UCITS Directive ("UCITS V"). RLUTM has appointed Royal London Asset Management Limited ("RLAM") as the Investment Adviser to the Company.

RLUTM and RLAM are wholly owned subsidiaries of The Royal London Mutual Insurance Society, "the Group". The Group maintains a "Group Remuneration Policy" that RLUTM has adopted which is consistent with and promotes sound and effective risk management. It is designed so that risk-taking is not encouraged where this is inconsistent with the risk profiles or the instrument constituting the fund or the prospectus, as applicable, of the UCITS it manages. The Group has appointed a Remuneration Committee which is made up of Non-Executive Directors and is advised by independent remuneration consultants. The Committee considers the advice by independent remuneration consultants and the implications of remuneration policies across the Group, including for RLUTM.

The Remuneration Policy is in line with the business strategy, objectives, values and the interests of the ACD and the interests of the Royal London Property Fund and includes measures to avoid conflicts of interest. The Remuneration Policy adopts performance related pay, with salaries determined by reference to both individual performance and the external market. Total Remuneration comprises of a mix of fixed remuneration (including base salary and benefits), and variable remuneration in the form of incentives. The ratio between fixed and variable pay (both short-term and long-term incentives) is set by the Group to ensure that there is appropriate balance between the fixed and variable remuneration components. The Group Remuneration Policy applies to staff of the ACD whose professional activities have a material impact on the risk profile of the ACD or the Company and ensures that an individual cannot be involved in determining or approving their own remuneration. The UCITS Directive requires RLUTM to identify employees whose professional activities have a material impact on the risk profile of the RLUTM and the Company. Identified staff includes senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

The Remuneration Policy is updated annually and reviewed and approved by the Remuneration Committee. The most recent review include increases to the maximum incentive opportunities for executive directors of the Group, updates to reflect the Financial Conduct Authority's (FCA) Consumer Duty principle and supporting rules which comes into effect in July 2023, as well as minor wording changes to improve clarity. Details of the Remuneration Policy (provided in the form of the "UCITS Summary Remuneration Policy"), includes a description on the purpose of the policy, how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits. The UCITS Summary Remuneration Policy will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the ACD, upon request.

RLUTM has a board of directors (the "Directors"). The Directors of the Company who are also employees of the Group do not receive any remuneration in respect of their services as directors of RLUTM. The other Non-Executive Directors receive fixed remuneration in respect of their services which is set at a level determined by the Group and is not performance related. None of the Directors are currently in receipt of variable remuneration in respect of their services as Directors of RLUTM. RLUTM has no employees and therefore there are no other controlled functions, or senior management employed and paid by RLUTM. However, for the financial year ending 31 December 2024, total remuneration of £29,836,582 was paid to 46 individuals whose actions may have a material impact on the risk profile of RLUTM, of which £10,159,813 related to senior management. The fixed element of the total remuneration mentioned above is £10,802,215 and the variable element is £19,034,367. By comparison for the financial year ending 31 December 2023, total remuneration of £32,720,486 was paid to 48 individuals whose actions may have a material impact on the risk profile of RLUTM, of which £8,986,030 related to senior management. The fixed element of the total remuneration mentioned above is £10,709,034 and the variable element is £22,011,452. In addition, the ICVC does not make any payments directly to any staff of the delegates. In addition, the Company does not make any payments directly to any staff of the delegates.

In accordance with the Remuneration Policy and the requirements of UCITS V, staff working for RLAM are not remunerated by the ACD but they are subject to remuneration requirements which are equally as effective as those in place under the UCITS Directive. RLAM is also subject to the Financial Conduct Authority's Remuneration Codes.

General Information

Pricing and dealing

For the purposes of determining the prices at which shares may be purchased from or redeemed by the ACD, the ACD will carry out a valuation of the Scheme Property at 5:00 p.m. (the "valuation point") on the last business day (a day on which the London Stock Exchange Limited is open for business) of each calendar month, unless otherwise agreed by the Depositary. However, the ACD may, at its discretion, value the Company at any other time.

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

Buying shares

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

Selling shares

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

Cancellation rights

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

UK taxation

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

The Company is an authorised scheme and accordingly is not liable to tax on capital gains on the disposal of any of its property (including interest-bearing securities and derivatives).

The Company qualifies as a PAIF for tax purposes. Accordingly, the income generated by its property investment business will be exempt from tax. Any dividend income it receives from United Kingdom companies or, in general, from non-United Kingdom companies will also be exempt from tax. The Company would, however, be subject to tax in the unlikely event that there should be a net balance of other income, which will generally consist of interest but could include other property income, less deductible expenses and the gross amount of any PAIF interest distributions made or a tax charge otherwise arises.

The Company's distributions will be split into three streams for United Kingdom tax purposes:

- property income distributions, representing income from its property investment business;
- PAIF dividend distributions representing any dividends received by it; and
- PAIF interest distributions representing the net amounts of all other income received.

Tax-exempt shareholders: Shareholders who are exempt from tax on income will be able to reclaim from HM Revenue & Customs the basic rate of tax withheld on the payment of property income distributions and PAIF interest distributions. The tax credits on PAIF dividend distributions cannot be reclaimed.

Corporate shareholders: Property income distributions are generally paid to corporation tax payers without the deduction of tax at source and taxed as profits of a property business. PAIF interest distributions are also generally paid gross to corporation tax payers, and are taxed as yearly interest in their hands. PAIF dividend distributions are treated in the same way as dividends paid by United Kingdom companies, and are therefore exempt from corporation tax.

General Information (continued)

UK taxation – continued

Individual shareholders: Property income distributions and PAIF interest distributions will be made to shareholders subject to deduction of tax at 20%. Individuals will be liable for income tax on this income at their marginal rate and may set off the tax credit against their liability. PAIF dividend distributions will carry a notional tax credit rate at the rate of 10% of the gross income. It will be taxable at the appropriate dividend tax rate and the tax credit may be used to reduce the tax liability. The tax credit only applies to pay dates until 5 April 2016.

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

Capital gains: The sale of the shares by a shareholder will constitute a disposal for the purposes of tax on capital gains. The extent of any liability to tax will depend upon the particular circumstances of shareholders. For shareholders within the charge to corporation tax, net capital gains on shares should be added to their profits chargeable to corporation tax.

Any individual shareholders resident or ordinarily resident in the United Kingdom will generally be liable to tax on their capital gains. A shareholder who is an individual, and is not resident or ordinarily resident in the United Kingdom, would not normally be liable to United Kingdom tax on capital gains.

SDLT: Stamp Duty Land Tax (SDLT) is payable by the Company on the purchase of property investments.

Fund reports and Prospectus

Copies of the latest yearly and half yearly financial statements and copies of the Prospectus may be obtained from Royal London Unit Trust Managers Limited upon request or at the following address, http://www.rlam.com.

Contact Us

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Ref: SREP RLAM PD 0357

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