Standard Life Investments Property Income Trust Limited

Interim Report & Consolidated Accounts
Half year ended 30 June 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all of your shares in Standard Life Investments Property Income Trust Limited, please forward this document as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was, or is being, effected, for delivery to the purchaser or transferee.

Contents

Objective and Investment Policy

OBJECTIVE

To provide shareholders with an attractive level of income together with the prospect of income and capital growth.

INVESTMENT POLICY

The Board intends to achieve the investment objective by investing in a diversified portfolio of UK commercial properties. The majority of the portfolio will be invested in direct holdings within the three main sectors of retail, office, and industrial, although the Company may also invest in other commercial property such as hotels, nursing homes and student housing. Investment in property development and investment in co-investment vehicles, where there is more than one investor, is permitted up to a maximum 10% of the property portfolio.

In order to manage risk, without compromising flexibility, the Board applies the following restrictions to the portfolio in normal market conditions:

- No property will be greater by value than 15% of total assets.
- No tenant (excluding the Government) will be responsible for more than 20% of the Company's rent roll.
- Gearing, calculated as borrowings as a percentage of gross assets, will not exceed 65%. The Board's current intention is that the loan to value ("LTV") ratio (calculated as borrowings less all cash as a proportion of property portfolio valuation) will not exceed 45%.

An analysis of how the portfolio was invested as at 30 June 2020 is contained within the Investment Manager's Report.

KIRKGATE, EPSOM

Performance Summary
Financial Review – Half year to 30 June 2020

NAV total return
–9.0 PERCENT

NAV total return of –9.0% in the six months to 30 June 2020 (H1 2019: 2.7%) as COVID-19 impacted UK commercial property values and the Company's swap valuations. Over the longer term the Company has continued to outperform its peer group returning 143.9% over ten years compared to the AIC Property Direct – UK Commercial sector total return of 36.0% and open ended property funds total return of 53.0%.

Loan to value
26.2 PERCENT

Loan to value of 26.2% (H1 2019: 23.4%) – Prudent gearing levels with bank covenants comfortably met.

Share price total return
–30.9 PERCENT

Share Price total return of –30.9% (H1 2019: 18.9%) as shares moved from a premium of 1.2% to a discount of 23.9% as at 30 June 2020. Over the longer term the Company has outperformed its peer group returning 76.5% over ten years compared to the AIC Property Direct – UK Commercial sector total return of 8.3%.

Dividends paid
2.38p per share

(H1 2019: 2.38p per share)

Same level of dividends paid in the first half of the year as in the first half of 2019. Sixty percent of usual quarterly dividend also paid in August 2020 reflecting recent and expected rental collection rates.

Available for investment
£41m

Significant financial resources at 30 June 2020 of £41 million available for investment in the form of the Company's low cost revolving credit facility ("RCF"). Since 30 June 2020, £21m was utilised to acquire an asset let to a strong covenant which will enhance dividend cover.

New shares issued
1m

One million new shares issued in February 2020 at a premium of over 6% to underlying NAV.

Performance Summary
Portfolio Review – Half year to 30 June 2020

Occupancy rate
92.2 PERCENT

Occupancy rate of 92.2% as at 30 June 2020 (H1 2019: 93.7%) demonstrating diversified tenant base geared towards industrial sector.

Rent collection
81 PERCENT

As at 31 August 2020, rent collection of 75% for quarter 3 and 87% for quarter 2 which averages out to 81% for the two quarters. Relatively strong rent collection statistics for the two billing periods impacted by COVID-19 as the Investment Manager continues to work with tenants to reach mutually acceptable agreements on rent arrears.

moneywise Investment Trust awards 2020
WINNER
PROPERTY DIRECT
Standard Life Investments Property Income

Operational CO_2 saved
229 TONNES

229 tonnes of operational CO_2 expected to be saved in the first year due to the installation of a major photovoltaic (PV) scheme on one property which will generate the power output equivalent to the yearly electricity usage of 230 homes. It is the largest undertaken by Aberdeen Standard Investments in the UK and the Company will receive a yield of circa 7% from the investment.

2 new lettings securing
£379,000
per annum in rent.

(H1 2019: 6 new lettings securing £970,000 per annum in rent)

Restructured 4 leases and 3 rent reviews secured income of
£735,000
per annum of rent.

(H1 2019: Restructured 4 leases to secure longer term income on £242,000 per annum of rent)

Portfolio total return

–5.6%

Portfolio total return of –5.6% (H1 2019: 3.3%) compared to MSCI benchmark of –3.8% (H1 2019: 0.9%) for the six month period as capital values fell as a result of COVID-19.

–3.8%

MSCI Benchmark

Portfolio biased to outperforming sectors

Company's Industrial Weighting
52.7%

(H1 2019: 52.8%)
(MSCI benchmark: 32.5%)

Industrial weighting of 52.7% with only 8.2% in retail at 30 June 2020 as portfolio is well aligned to sectors which are forecast to outperform in the current environment.

Company's Retail Weighting
8.2%

(H1 2019: 9.0%)
(MSCI benchmark: 25.3%)

Strategic Report
Performance Summary

Earnings & Dividends	30 June 2020	30 June 2019
EPRA earnings per share (p) (excl capital items & swap movements)	1.96	2.42
Dividends declared per ordinary share (p)	2.38	2.38
Dividend cover (%)*	83.0	101.7
Dividend yield (%)**	7.9	5.1
FTSE All-Share Real Estate Investment Trusts Index Yield (%)	4.4	4.5
FTSE All-Share Index Yield (%)	4.7	4.1

Capital Values & Gearing	30 June 2020	31 December 2019	Change %
Total assets (£million)	464.5	505.8	(8.2)
Net asset value per share (p)	79.6	89.9	(11.5)
Ordinary Share Price (p)	60.6	91.0	(33.4)
(Discount)/ Premium to NAV (%)	(23.9)	1.2	
Loan to Value (%)†	26.2	24.6	

Total Return	6 months % return	1 year % return	3 year % return	5 year % return
NAV‡	(9.0)	(7.8)	11.3	33.6
Share Price‡	(30.9)	(31.4)	(19.7)	(4.5)
FTSE All-Share Real Estate Investment Trusts Index	(24.6)	(10.1)	(6.4)	(6.3)
FTSE All-Share Index	(17.5)	(13.0)	(4.6)	15.2

Property Returns & Statistics (%) – 6 months to	30 June 2020	30 June 2019
Property income return	2.2	2.7
MSCI benchmark income return	2.3	2.3
Property total return	(5.6)	3.3
MSCI benchmark total return	(3.8)	0.9
Void rate	7.8	6.3

*
Calculated as revenue earnings per share (excluding capital items) as a percentage of dividends declared per ordinary share.

**
Based on last four quarterly dividends paid to 30 June 2020 of 4.76p and the share price at 30 June 2020.

†
Calculated as bank borrowings less all cash (including cash held at managing agent) as a percentage of the open market value of the property portfolio as at 30 June 2020.

‡
Assumes re-investment of dividends excluding transaction costs.

Sources: Aberdeen Standard Investments, MSCI.

Alternative Performance Measures ("APMs") including NAV total return, share price total return, dividend cover, dividend yield and portfolio total return are defined in the glossary on pages 36 to 37.

Strategic Report
Chair's Statement

Overall, there will undoubtedly be challenges ahead and much depends on the course that COVID-19 takes over the winter months, any further lockdowns and ultimately the development of a vaccine. However, your Company has strong foundations in place to face up to these challenges both in the short term and beyond.

James Clifton-Brown

My first statement as Chair of your Company is set against a background of continued efforts to combat the first global pandemic for over 100 years which has caused enormous human suffering and economic disruption. Every country is at a different stage in its response to COVID-19 with the UK government currently treading a fine line between trying to prevent a second wave of the virus while opening up the economy which has suffered a seismic shock. Government support, including by effectively underwriting up to 80% of wages and guaranteeing loans, along with The Bank of England cutting interest rates to an all-time low of 0.1% has helped matters but with the furlough scheme due to come to an end shortly, the unemployment rate will be a key focus. Thousands of jobs have already been lost as UK companies try to rebuild while adjusting to the new norm, whilst awaiting the development of a vaccine for COVID-19 which may, in due course, allow a return to full economic activity. In addition to this, Brexit talks with the EU continue with no trade deal yet in sight.

UK REAL ESTATE MARKET

The UK Real Estate market has been severely impacted by COVID-19. Capital values have fallen (and valuations have also been subject to material uncertainty clauses) with the Company's MSCI benchmark (UK Monthly Index Funds Quarterly Property Index) recording a capital fall of 5.9% for the six months. However, the main area of concern has been rent collection. A number of tenants across many sectors of the economy have been unable to pay rent with landlords' key focus being to engage with tenants to agree various forms of payment plans against a background of a moratorium on forfeiture if tenants do not pay rent. This, in turn, has impacted the ability of many listed REITs to maintain dividends to shareholders with dividends being cut across the property industry; the main exception being those that have purely tenants from the logistics or supermarket sectors, two sectors that have done well in the current environment.

The divergence in performance across sectors is demonstrated by the fact that the industrial sector, which encompasses logistics, produced a total return of −0.2% in the six month period with the retail sector, much of which was closed for business for a period of time, producing a total return of −9.7%. These figures indicate an acceleration of the trend towards online shopping which was already prevalent before COVID-19. The office sector returned −1.5% with the future of offices being the subject of some debate given that many companies have successfully managed to facilitate staff working from home during COVID-19. The "other" sector, which includes leisure assets amongst others, returned −6.4% heavily impacted by many leisure facilities, such as cinemas, being unable to open.

Strategic Report
Chair's Statement continued

PINNACLE, READING


54 HAGLEY ROAD, BIRMINGHAM

PORTFOLIO AND CORPORATE PERFORMANCE

Your Company produced a portfolio total return of −5.6% in the six month period with capital falls of 7.7% partially offset by an income return of 2.2%. By comparison the MSCI benchmark produced a total return of −3.8%. The Investment Manager's Report provides a full analysis of the portfolio performance, on page 16.

This portfolio performance resulted in a NAV total return of −9.0% in the six month period with the NAV being impacted by gearing and the negative movement in the Company's swap liability of £1.8 million. The swap liability now stands at £4.05 million which will reduce to zero as the fixed term loan approaches maturity in 2023.

The total return to shareholders in the period was −30.9% as the share price fell along with other listed REITs as a result of COVID-19, reflecting doubts over rent collection and asset values. The discount at which the Company's shares traded to NAV stood at 33.9% on 31 August 2020. This contrasts sharply with the pre COVID-19 world in February 2020 when the premium rating of the Company allowed it to issue 1 million new shares at a price of over 6% above NAV.

Whilst in the short term returns have been impacted by COVID-19, the Company continues to have a strong longer term track record with a NAV total return of 33.6% over five years to end of June 2020 compared to the peer group total return of 28.6%. Open ended property funds returned 13.6% over the same period, with almost all remaining closed to redemptions.

RENT COLLECTION & DIVIDENDS

As mentioned above, a key focus in the first six months of the year was working with our tenants to find mutually suitable solutions to the challenges of COVID-19 on our respective businesses. Depending on the situation, the Company is agreeing to rental deferments with some tenants with repayment periods to suit the businesses, rent free periods in exchange for amended lease terms (generally an extension of leases) and, in extremis, rental write-offs (generally with the smallest tenants who have no means of paying). At the close of business on 31 August 2020, the Company had received payments reflecting 75% of rents due for what can collectively be termed advance billing for the third quarter of the year. At the same date, collection levels stood at a combined 87% for rent due for the second quarter of the year. Further detail on rent collection and interaction with tenants is included in the Investment Manager's Report.

The Board recognises the importance of dividends to its shareholders especially when the COVID-19 crisis has forced many companies, across multiple sectors of the economy, to cancel or suspend their dividends. The Board took the decision to pay the same quarterly dividend as last year of 1.19p per share in March 2020, reflecting the fact that over 95% of the rental income received for the first quarter of the year had been received. Reduced levels of rent collection, however, has meant a dividend at the reduced rate of 60% of last year's level for the second quarter, equating to a dividend of 0.714p per share. The Board is of the opinion that this reduced rate balances the need for shareholders to continue receiving income during this difficult period with maintaining a satisfactorily strong balance sheet.

The Board will continue to monitor closely the evolution of COVID-19, together with its impact on rent receipts and recurring earnings. The Board will keep the Company's future dividend policy under review, aiming to strike a balance between rental income and shareholders' dividend requirements, noting that rent collections are forecast to improve on the assumption that more of the economy begins to open up as lockdown eases.

Strategic Report
Chair's Statement continued

FINANCIAL RESOURCES & PORTFOLIO ACTIVITY

Despite COVID-19, the Company continues to be in a strong financial position. As at 30 June 2020, the Company had a prudent Loan to Value ("LTV") of 26.2% compared to a peer group average of 31%. The overall blended interest rate on the debt at this date was 2.59% per annum with the revolving credit facility portion of the debt benefitting from the reduction in interest rates. Loan covenants for the quarter ended 30 June 2020 were also comfortably met with rental income having to fall by 60% and property values by 50% from June levels before covenants are endangered. In addition, the Company had significant financial resources of £41 million available for investment as at 30 June being the undrawn element of the Company's flexible revolving credit facility. A proportion of these low cost resources were used after the period end to acquire a retail unit in Halesowen for £19.5 million let to B&Q at an initial yield of 7.5%. This acquisition provides secure income to the portfolio given B&Q's strong covenant and is at a healthy margin to the cost of debt, further boosting the revenue account.

We also continue to invest in our assets to provide energy efficient solutions and there has been significant progress in this area. At the end of June we completed the installation of a major photovoltaic (PV) scheme on one of our assets. It is the largest undertaken by Aberdeen Standard Investments in the UK, and the power will be sold to the tenant. The scheme is expected to produce, and therefore save, the equivalent of 229 tonnes of operational CO_2 in the first year of operation, and the power output is the equivalent of the yearly electricity usage of 230 homes. The Company will receive a yield of circa 7% from the investment.

BOARD CHANGES

Robert Peto, my predecessor as Chair, retired from the Board in August. Robert was initially meant to step down at the Annual General Meeting in June 2020 but agreed to stay on to provide continuity of leadership over this difficult period, which is testament to the dedication he has given to the Company in his six years of service. I would like to take this opportunity to thank Robert for his valuable contribution first as a Director then as Chair of the Company and wish him all the very best for the future in his ongoing real estate and charitable activities. Sarah Slater has taken on my role as Chair of the Property Valuation Committee.

OUTLOOK

The COVID-19 pandemic has resulted in the UK suffering an unprecedented economic shock, demonstrated by the 20.4% fall in GDP for the second quarter of 2020, with our Investment Manager forecasting a 12.9% fall for the year as a whole. However, ASI anticipates, in the absence of any further nationwide lockdowns, that the economy will rebound strongly in 2021.

From a real estate perspective, our Investment Manager forecasts that valuations will remain weak, although they are unlikely to experience the declines we have seen in the first six months of this year. In terms of rent collection, some tenants, depending on what sector they are in, will continue to have difficulty in meeting rental obligations over the remainder of this year, and quite possibly for the first half of 2021. However, indicative evidence from our own portfolio is that most tenants are willing to work with their landlords to come to a mutually acceptable outcome for rents due and hence it is hoped there will be a fairly rapid pick-up in activity in 2021.

This recovery will not be uniform across the main real estate sectors with the accelerating move away from high street retail to online retail. The resultant requirement for industrial space means the industrial sector is likely to continue to be the best performing sector. While performance has been weak in the short-term, your Company's portfolio is well positioned to take advantage of this trend given the portfolio had a 53% weighting to industrial (and only 8% in retail) as at 30 June 2020.

Your Company also has a strong balance sheet with relatively low gearing and low cost, flexible financial resources some of which have been utilised since 30 June 2020 to invest in an asset that will boost revenue generation from a tenant with a strong covenant.

Overall, there will undoubtedly be challenges ahead and much depends on the course that COVID-19 takes over the winter months, any further lockdowns and ultimately the development of a vaccine. However, your Company has strong foundations in place to face up to these challenges both in the short term and beyond.

James Clifton-Brown
Chair
21 September 2020


54 HAGLEY ROAD, BIRMINGHAM


BADENTOY, ABERDEEN


31/32 QUEEN SQUARE, BRISTOL

Strategic Report
Principal Risks and Uncertainties

82/84 EDEN STREET, KINGSTON

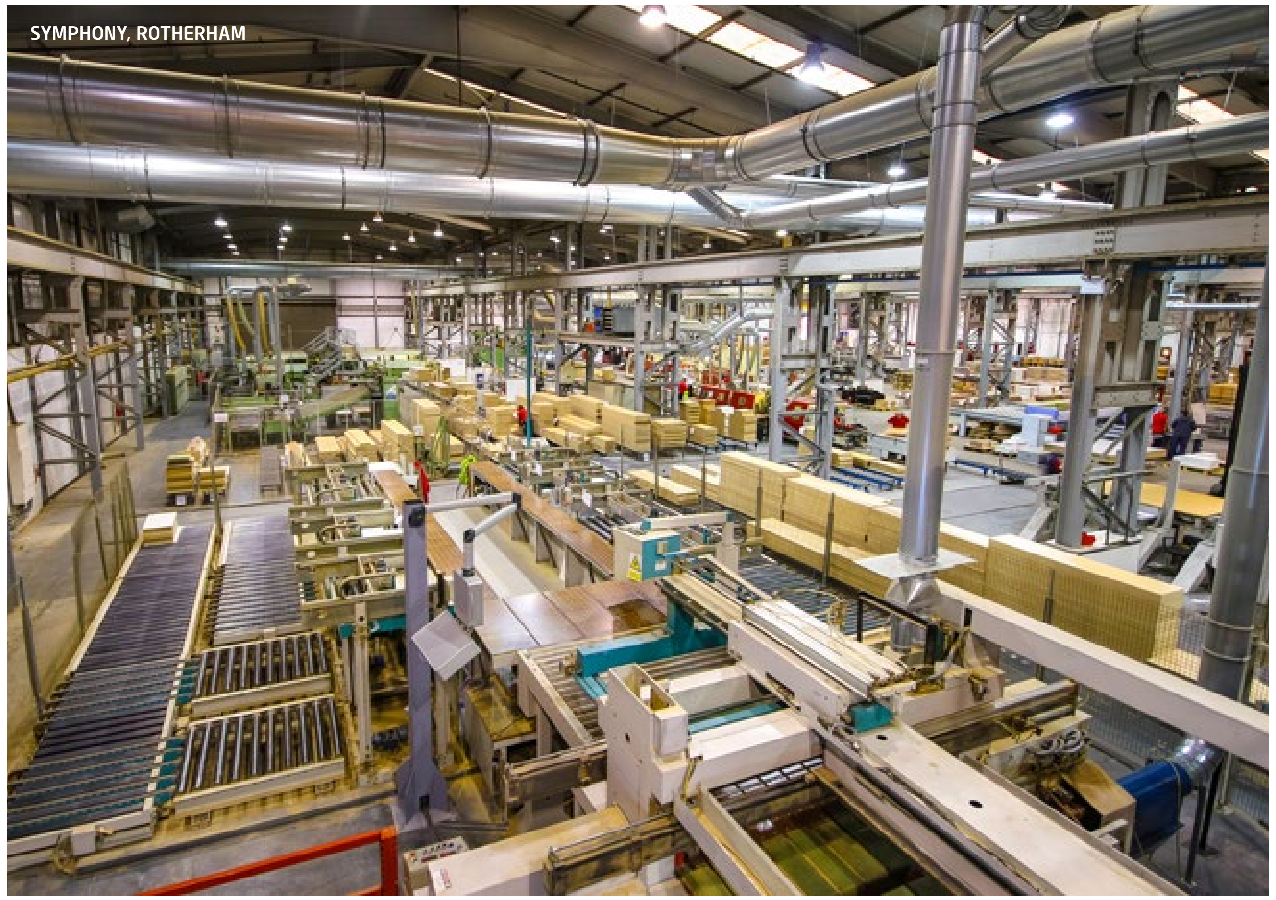

101 PRINCESS STREET, MANCHESTER

The Company's assets consist of direct investments in UK commercial property. Its principal risks are therefore related to the commercial property market in general, but also the particular circumstances of the properties in which it is invested, and their tenants. The overarching risk to the Company's portfolio is COVID-19, which has caused significant loss of life and global economic disruption. It arguably affects all areas of risk on which the Company reports and has increased the risk profile of the Company, as set out in the Chair's Statement and the Investment Manager's Report. The Board and Investment Manager seek to mitigate risks through a strong initial due diligence process, continual review of the portfolio and active asset management initiatives. All of the properties in the portfolio are insured, providing protection against risks to the properties and also protection in case of injury to third parties in relation to the properties.

The Board have carried out an assessment of the risk profile of the Company which concluded that the risks as at 30 June 2020, including the overarching risk of COVID-19, were not materially different from those detailed in the statutory accounts for the Company for the year ended 31 December 2019, which were published in May 2020.

Having reviewed the principal risks, including the impact of COVID-19, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore believes it appropriate to adopt the going concern basis in preparing the financial statements.

160 CAUSEWAYSIDE, EDINBURGH


SYMPHONY, ROTHERHAM

Strategic Report
Investment Manager's Report

MARKET COMMENTARY

The year started with a note of optimism in the UK economy and the Real Estate market, however, this quickly faded as the COVID-19 virus spread, such that by March virtually the whole of the world was in lockdown, with severe economic consequences. In the UK, GDP fell by 2.2% in Q1 and 20.4% in Q2, meaning the country was officially in recession. The dramatic fall in GDP was of a scale and pace unknown in our lifetime, with the Office for National Statistics saying the fall had wiped out 17 years of economic growth. Although the recovery in GDP as lockdown measures have been eased is encouraging, it is clear that the UK is going to feel the economic impact of COVID-19 for quite some time.

The government's fiscal response to the pandemic has involved a number of measures, including a 1.5% of GDP fiscal stimulus package in 2020/21, a further easing package to support businesses via direct transfers worth around £20 billion and, perhaps most importantly, a job retention scheme. This scheme has allowed firms to furlough staff, with the government covering 80% of salaries up to £2,500 per month. From a monetary policy perspective, the Bank of England cut rates to the effective lower bound of 10bps, announced £200 billion of Quantitative Easing (QE), introduced credit easing measures, and eased regulatory policies.

High frequency indicators suggest that spending has recovered significantly since the low point in activity in April. Despite some encouraging signs, the Bank of England's Monetary Policy Committee (MPC) has forecast only a slow recovery in demand as health concerns drag on activity.

According to MSCI (formerly IPD), UK real estate performance turned negative in the first six months of 2020 with a total return of −3.8%. The consumer-facing areas of the real estate market bore the brunt of declines, with capital values in the retail sector declining −11.1% over this period. With hotels and leisure particularly affected and only beginning gradually to re-open at limited capacity, it is unsurprising that the "alternatives" sector recorded a negative total return of −6.4%. Total returns for the industrial and residential sectors were significantly better at −0.2% and 1.2% in the six months to June 2020. Offices were in between, producing a total return of −1.5%.

Investment volumes for the first six months of the year were largely in line with the same point last year. However, Q1 accounted for approximately 80% of these transactions, as a flurry of deals were completed following the general election result at the end of 2019. It was inevitable that investment levels would be down markedly in Q2 2020 – the lowest quarterly volume since Q1 2009 – with physical inspections impossible and constraints on international travel largely excluding overseas investors. Whilst there is a glimmer of optimism returning, the focus of most investors has narrowed; investor appetite for industrial and logistics assets remains robust, whilst long income and selective alternative sectors also maintain strong levels of investor interest.

Jason Baggaley

The Royal Institution of Chartered Surveyors ("RICS") advised lifting material uncertainty clauses for Central London offices, student housing of institutional grade and long dated annuity income with a secure covenant in July. RICS had already removed the material uncertainty clause for the industrial and logistics sector and build to rent property of institutional grade in June. Standalone food stores as well as specialist supported housing were two of the first sectors to have the material uncertainty clause lifted in May. Notwithstanding the lifting of this clause, it should be noted that with very limited transactional levels there remains a lack of evidence for all lot sizes and risk profiles within each sub-sector. We believe that valuations will continue to fall over the year, especially on assets that have riskier characteristics, as some liquidity returns.

Investor interest in the UK logistics sector is undoubtedly aided by an occupational market which has proven to be very resilient during the COVID-19 pandemic. During the first half of this year, take-up reached 22.4m sq. ft., the best first half performance ever recorded, according to Savills. This is 66% higher than the long-term average for the sector. Unsurprisingly, take-up is being boosted by companies seeking space for online delivery fulfilment. Whilst there have been short-term deals relating to inventory management issues as a result of lockdown, the overwhelming majority of deals were traditional leases.

The future of offices is a hot topic. As is the case with a number of real estate sectors, COVID-19 has simply accelerated trends that were already underway for offices prior to the pandemic, with a wealth of survey evidence pointing to a structural rise in remote working. Companies will be required to reassess their office needs in the light of more flexible work arrangements, which points to a lower structural demand for office space in the medium to long term. Whilst vacancy rates are below historical averages at present, grey space coming back to the market will be a key driver of vacancy and we therefore expect this to put downward pressure on rents. Moving forward, the ability to adapt to changing health and wellbeing requirements will be a key determinant of an office's success. Core, well located assets which possess the ability to adjust to changing tenant requirements will be in a better position to stand the test of time.

The challenges facing the retail sector are well documented. Restructuring activity in retail, through the use of company voluntary arrangements (CVAs) and pre-pack administrations, continues largely unabated. The pool of potential investors in this sector remains very shallow. However, there are areas of retail which have fared much better during the pandemic, namely food stores and DIY outlets let to strong covenants at rents that are affordable. These assets continue to attract healthy levels of investor interest, especially where strong underlying use values exist.

> The importance of working with our tenants to achieve mutually beneficial outcomes is greater than ever, and so is doing the right thing in an ESG context. We believe that the portfolio remains well positioned to continue to meet our aspirations, but will continue to monitor this closely.
> **Jason Baggaley**

INVESTMENT OUTLOOK

Aberdeen Standard Investments Research Institute's GDP expectations are for a 12.9% contraction in GDP this year and 7.7% growth in 2021, although there is low conviction in the base case and a high degree of uncertainty around the outlook. Aside from COVID-19, the lack of progress in Brexit negotiations is a concern; a disruptive 'no deal' outcome remains a downside risk to growth in 2021.

Investor interest for logistics and industrials is expected to continue as the structural shift to online shopping remains supportive. Larger inventories to create a greater buffer within existing supply chains are the simplest near-term solution to the risk of COVID-19 and Brexit-related disruption – and will require more warehousing. The structural changes benefitting the logistics sector have been to the detriment of the retail sector, where outside of standalone food stores and DIY units, the investment market remains challenging. Whilst the outlook for the office sector remains uncertain at this stage, overseas capital continues selectively to acquire office assets in the UK with a particular focus on larger lot sizes in Central London. Selectivity is crucial within the office sector and a greater focus must be placed on asset-specific qualities. Newer properties with the right level of amenity provision and good connectivity are likely to outperform older and less competitive stock.

The investment market has experienced a noticeable slowdown this year, but there are tentative signs that the market is beginning to show some signs of recovery. With the economic backdrop remaining uncertain, long secure income, industrials and logistics as well as selective alternative sectors will remain highly sought after. With continued expectations of low interest rates for the foreseeable future, income producing real assets such as commercial property are likely to remain in demand.

NEXUS POINT, BIRMINGHAM

Strategic Report
Investment Manager's Report continued

PERFORMANCE

The Company considers a range of measures when assessing its performance. The underlying performance of the real estate assets is the first level of consideration, and is a direct comparison to the wider market. The NAV total return is a better reflection of the return experienced by the Company, as it encompasses all aspects of the Company including debt and expenses. Finally the share price total return is a useful metric in so much as it reflects investor experience, but it is the one metric over which the Investment Manager and the Board have least control.

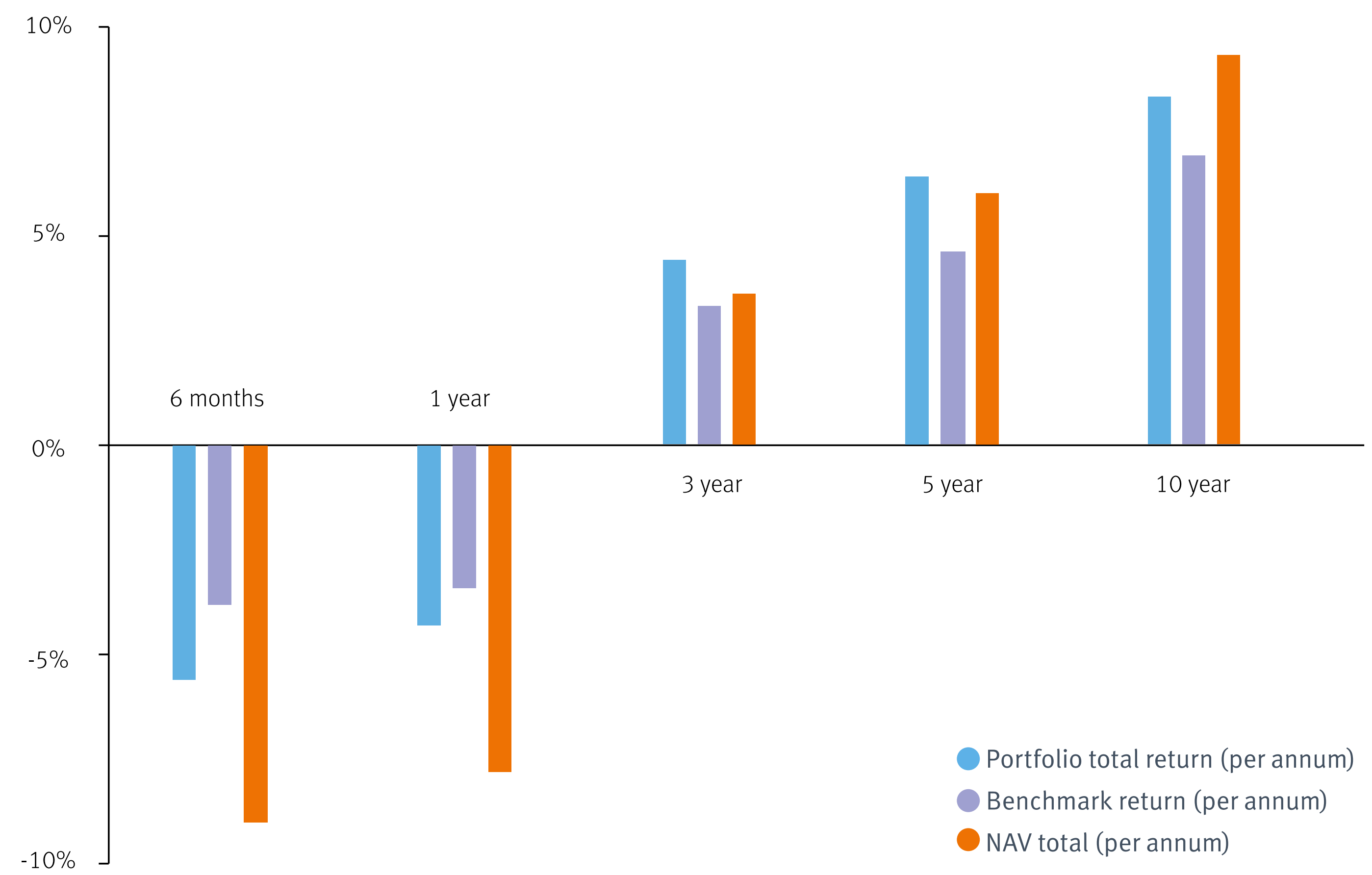
PORTFOLIO LEVEL PERFORMANCE

The first six months of 2020 have been a challenging time for the Company, with a greater fall in valuations than the market as a whole. Over the six months every asset in the Company has declined in value, including the industrial and logistics assets. This is out of line with the general market, but reflects the greater emphasis placed by our valuers on sentiment rather than market transactions during the reporting period. Although there was ample evidence of transactions for larger long-let logistics units, and big multi-let estates, there was less relevant evidence for the smaller assets the Company holds. Given the exceptional circumstances and complete change in economic environment from the beginning of the year to the end of June, having every asset reduce in value seems prudent. In the medium term, we expect the Company's performance to be more in line or to exceed the market given its high exposure to industrial and logistics assets. Indeed at a property level, the Company displays outperformance to the wider market over three, five and ten years.

Portfolio value
447.3 MILLION POUNDS
as at 30 June 2020

ANNUALISED PORTFOLIO TOTAL RETURN

Source: Aberdeen Standard Investments, MSCI



NAV PERFORMANCE

Property valuations are the major component of the Net Asset Value (NAV) and so with the impact of gearing, the NAV has, in percentage terms, dropped by more than the property portfolio in the period. In addition, the Company marks to market the value of its interest rate swap on the term loan. This had a significant negative impact on the NAV with the liability of the swap rising from £2.2m as at the end of December to £4.05m at the end of June as yields fell. This liability will reduce to zero on maturity in April 2023, but is fully reflected in the NAV. The NAV element of the performance chart on the previous page shows the impact of leverage, the interest rate swap, and all the other costs of running the Company.

NAV Total Returns to 30 June 2020	1 year (%)	3 years (%)	5 years (%)	10 years (%)
Standard Life Investments Property Income Trust	**(7.8)**	**11.3**	**33.6**	**143.9**
AIC Property Direct – UK Sector (weighted average)	1.5	19.1	29.9	36.0
Investment Association Open Ended Commercial Property Funds sector	(3.7)	5.1	13.6	53.0

Source: Aberdeen Standard Investments, Association of Investment Companies ("AIC")

SHARE PRICE RETURN

Market sentiment towards Real Estate Investment Trusts (REITs) changed significantly with the onset of COVID-19. Prior to that time most companies in the sector (except those heavily exposed to retail) were trading on small discounts to their NAVs, or even small premiums. However, with lockdown and increased focus on rent collection issues, discounts increased considerably and currently average 32%. The Company's share price was impacted with this change of sentiment, and now trades at 33.9% (31 August 2020), a larger discount than immediately after the Brexit vote, and the largest since the global financial crisis.

Share Price Total Returns to 30 June 2020	1 year (%)	3 years (%)	5 years (%)	10 years (%)
Standard Life Investments Property Income Trust	**(31.4)**	**(19.7)**	**(4.5)**	**76.5**
FTSE All-Share Index	(13.0)	(4.6)	15.2	91.8
FTSE All-Share REIT Index	(10.1)	(6.4)	(6.3)	116.9
AIC Property Direct – UK Sector (weighted average)	(11.6)	(3.8)	14.2	8.3

Source: Aberdeen Standard Investments, Association of Investment Companies ("AIC")

DIVIDEND

The payment of an attractive dividend is a primary focus of the Company, with a desire for that dividend to be fully covered. The annual rate of 4.76 pence per share was fully covered in 2019, and the Company continued to pay that rate (1.19p each quarter) for Q1 2020, as most of the rents related to a period before rent collection was impacted by COVID-19. The difficult decision was made to reduce the dividend by 40% for Q2 2020, to reflect the new environment and future uncertainties. The Board believes this is a sustainable level in the current environment and will seek to increase it when prudent to do so. The dividend yield at the end of the last financial year end, based on the share price at that time, was 5.2%. Following the share price fall this year and the reduced dividend on an annualised basis, the yield on 31 August was 5.4%.

Rent collection is obviously the key driver of the Company's ability to pay a dividend. The adjacent table shows collection data as at 31 August. The majority of those tenants who are in arrears have agreed a schedule to repay the rent from Q2 and Q3 in the future (mostly in 2021), and several have agreed terms to extend their lease commitments in return for a write-off of some rent.

In most cases where rent arrears exist, we anticipate recovery by way of an agreed repayment schedule for deferred rent, or a write-off in return for extended lease terms. It is anticipated that the total write-off where no such agreement is in place will represent about 4–5% of the rent due, with the Company's balance sheet including a provision for bad debts of £1.2 million.

	Q2 collection	Q3 collection
Total	87%	72%*
Industrial	90%	77%
Office	90%	71%
Retail	59%	61%
Other	65%	48%

* with monthly rents this increases to 75%

Strategic Report
Investment Manager's Report continued

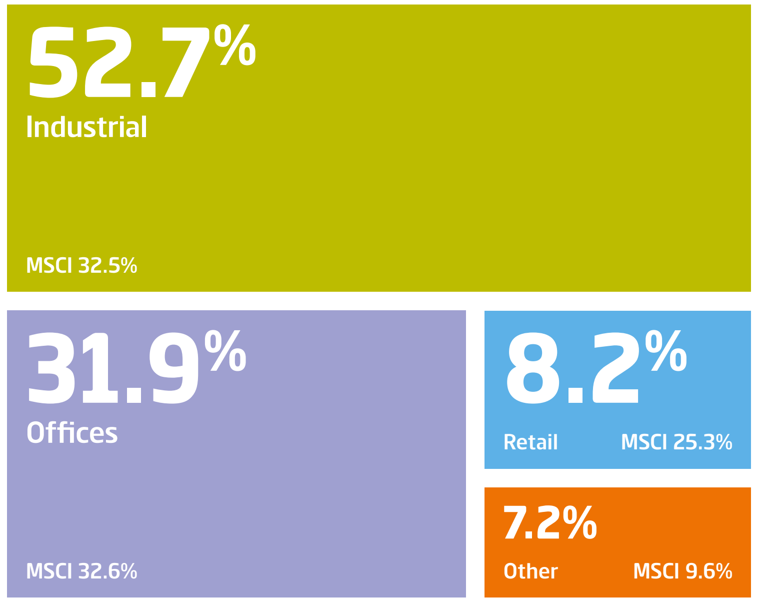
PORTFOLIO VALUATION

The investment portfolio is valued quarterly by Knight Frank. At 30 June the portfolio comprised 55 assets valued at a total of £447.3m, with £5m in cash. This compares to 57 assets, £496.8m and £11.7m cash a year ago. The valuation follows the requirements of RICS Red Book. However, while RICS had required a material uncertainty clause in valuation reports of all assets in March 2020, this was amended in respect of June valuations where selective asset types/geographies were removed from the need to refer to material uncertainty. In total, 53% of the Company's June portfolio valuation was not subject to a material uncertainty clause. The material uncertainty clause included in the June valuation is as follows:

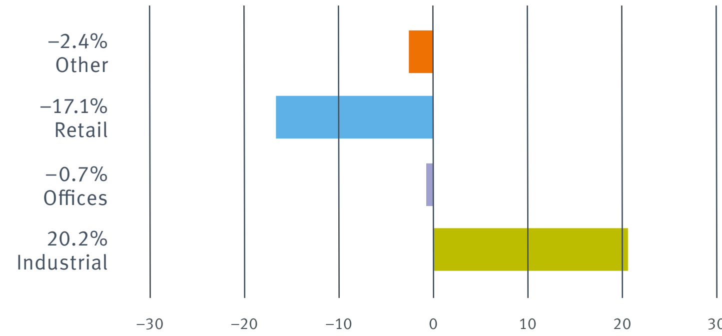
"The outbreak of the COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Observable market activity – that provides the empirical data for us to have an adequate level of certainty in the valuation – is being impacted in the case of some properties but excludes industrials and food stores which equates to 52.7% of the portfolio. In the case of the properties not excluded, as at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuations of these properties are therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the whole portfolio under frequent review. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation".

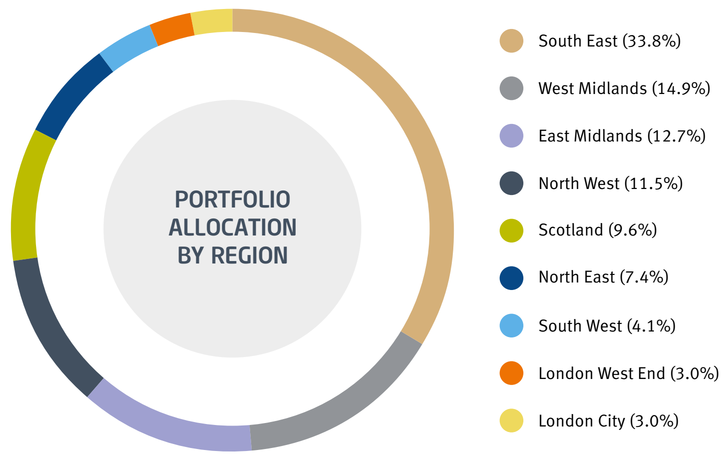
TIMBMET CENTRE, STANFORD

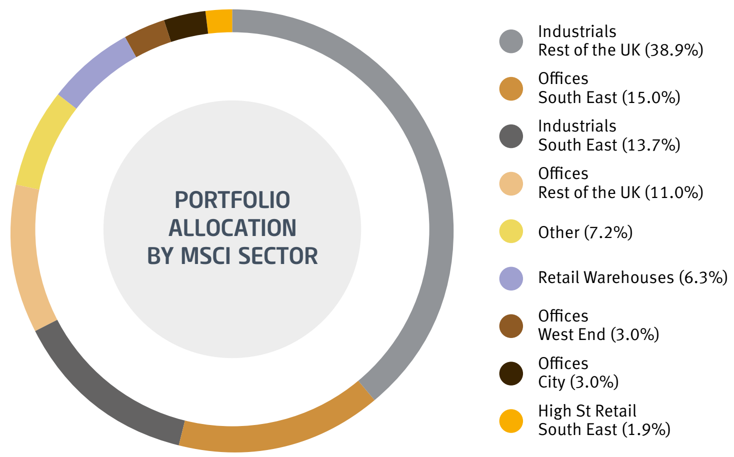
Portfolio Allocation by Sector



Relative Weighting versus MSCI







PORTFOLIO STRATEGY AND ALLOCATION

The Company has a clear investment objective of seeking to provide an attractive level of income to investors through investing in a diversified portfolio of UK commercial property. The delivery of this objective has been challenging this year with the impact of COVID-19, however that does not stop us remaining focused on delivering over the medium term. Our short term focus has concentrated on working with our tenants, supporting those that need it with rent write-offs, but mostly through lease re-gears that give the Company improved cash flow in the future in return for a rent free period today when the tenant really needs it. Our asset management team has worked tirelessly (from home) to engage with and help our tenants. Meanwhile the investment management team has concentrated on trying to see through the short term disruption, to ensure the Company is well positioned for the future.

The Company has benefitted from having a high exposure to industrial / logistics (53% as at 30 June), whilst having a low exposure to retail (8%), with a 32% exposure to offices and 7% to "Other" – a data centre and two leisure investments. We believe that the industrial / logistics sector will continue to out-perform and are pleased to continue with a high exposure.

The problems of the retail sector are well known. The Company has no exposure to shopping centres, and only has one high street retail investment, in Kingston-Upon-Thames. The majority of its retail exposure comes from retail warehousing, where it owns a variety of assets that are let at affordable

Strategic Report
Investment Manager's Report continued

rents from where tenants can trade profitably. During the first half of the year we agreed the extension of two retail warehouse leases to give 15 years unexpired term – a clear indication that the retailers want to occupy the units as they make money from them. We think that some value may be found in the retail warehouse sector where prices have moved down considerably and rents have rebased to affordable levels. Any acquisition in this area would be driven by asset specific factors rather than a sector level approach.

WFH, or to give it the full title, Working From Home, has become a new normal for many people over the last few months. This has caused a considerable amount of thought and challenge around the future of the office. Although the WFH experiment has been welcomed by some, and changed opinions of others, it is unlikely to cause the death of the office. Agile working was a theme that we had seen for a while and COVID-19 has accelerated the acceptance of the ability of and benefits to a workforce to work in an agile manner. In the short term, economic factors are likely to be the main influencer of take up and rents in the sector. We are already seeing companies put new acquisitions of office space on hold, and over the longer term we will no doubt see reduced demand for the sector as workforces are encouraged to spend some time at home. The demand that remains though will be for offices that are inviting, where people can share, engage, develop and socialize. Rent and yields for Grade A space meeting these needs are likely to remain more resilient than those on poorer quality assets. The Wellness agenda is increasingly important. We have positioned our office portfolio to provide attractive workplaces that will meet future demand. Great changing facilities, showers and bike racks will be required, along with shared meeting rooms (and yoga rooms!). We have also found a pick-up in demand for our fully fitted office suites and expect that to continue. There might be a short term increase in demand for car parking and suburban locations, however over the medium term easy access by public transport will remain very important, as will proximity of housing. Offices will remain an important component of balanced portfolios.

Regional allocation is not a particular driver for us, as we aim to invest in good quality assets in locations that work for tenants. That location will vary for different uses, but generally proximity to skilled labour and a vibrant environment are critical to create assets people want to occupy.

INVESTMENT ACTIVITY — PURCHASES

No purchases were undertaken during the period. Post the period end the Company acquired a B&Q retail warehouse in Halesowen for £19.5m (excluding costs), financed by its low cost revolving credit facility. The purchase reflects an initial yield of 7.5% and is let to B&Q Ltd for a further 11 years to lease expiry. The purchase of this retail warehouse unit will provide secure income going forward given the strong tenant covenant and good unexpired lease term. In addition, the property's configuration and attractive location in the West Midlands also provides flexibility of use in the longer term.

SALES

The Company sold an office asset in Staines-Upon-Thames early in January for £10.7m. The asset had been subject to successful asset management and the sale realised a profit compared to the September valuation (valuation at end of December was uplifted to the sale price) for the Company and reduced exposure to a location we felt was going to weaken. The sale proceeds were used to reduce the drawn amount in the revolving credit facility.

ASSET MANAGEMENT

The focus of asset management in the first half of the year has been to assist tenants and work with them to protect future income streams. During this period three rent reviews were completed securing on average a 19% increase in the annual rent, and two lease renewals were completed with a 21.4% increase in rent. Two lease re-gears securing £300,200 per annum were completed, along with two new lettings securing an annual rent of £379,000. Since the easing of lockdown we have seen an increase in the number of lease re-gears completing as tenants get back from furlough and reopen their businesses.

ENVIRONMENTAL SOCIAL & GOVERNANCE

As mentioned in the Chair's Statement, during June the Company was pleased to complete a major photovoltaic scheme on an industrial asset in Sandy, Bedfordshire. It is the largest PV installation that ASI has undertaken in the UK, and provides enough electricity to power 230 houses, although in this case the Company will sell the power to the tenant, providing an expected return of over 7%. We are continuing the roll out of PV on building rooftops where we can agree to do so with the tenant.

We actively assess the risks and opportunities in relation to many environmental, social and governance (ESG) factors as an integral part of our investment process across all investments. This includes understanding the risks and opportunities related to climate change. The Taskforce for Climate Related Financial Disclosures (TCFD) Framework provides a useful framework for the types of risks and opportunities to consider, and these are grouped into the three categories below:

Transition Risks arise due to the transition to a low carbon economy such as higher carbon prices, emission reducing regulation and shifts in technology and demand. High carbon emitting industries and countries are highly affected by these types of risks.

Physical Risks arise due to the continued increase in temperatures and extreme weather events. The negative implications of physical risks include damages to infrastructure, poor harvests, rising cost of assets and commodities, migration of climate change refugees and operational risks in the supply chain. These can affect anyone and depends on the region of operations. In addition, adaptation costs (e.g. infrastructure required to protect from physical damages) and the risk of insurance costs rising must be considered with an increase in physical risks materialising.

Opportunities: There is also a considerable upside as the transition to a low carbon economy provides attractive capital allocation opportunities. Whether or not we achieve the Paris target of warming below 2 degrees depends on whether the world is able to quickly deploy large amounts of private capital to construct renewable energy infrastructure, low carbon transport and to improve energy efficiency. A move away from coal, as well as rapid deployment and falling costs of clean energy technologies are clearly visible trends.

Approach in SLIPIT

From a Real Estate perspective, we are working to embed the requirements of the TCFD. Across the Company we have focussed on two key areas, namely physical climate risks and carbon management/transition risks.

From a physical climate risks perspective, the Company, through its Investment Manager, is working with Vivid Economics to assess the physical risks associated with each asset under management. The scores produced:

i. provide a high-level assessment of possible physical risks at asset locations based on publicly available global data sources.
ii. highlight concentrations of risk in a portfolio for further investigation or modelling.
iii. take into account expected intensities of hazards at given locations, but do not take into account local risk mitigants, such as flood defences or building-level flood resilience measures.

Future (2050) scores are based on climatic conditions under a high-emissions scenario which is expected to result in global warming of more than 4°C relative to pre-industrial levels. In time, we hope to be able to model alternative and bespoke scenarios, in addition to the high emissions 'worst case' scenario. The results of this analysis will be made available in our annual report. From a carbon management perspective, we already capture carbon data and report this in line with international standards. We are developing a decarbonisation pathway to achieve net zero by 2050 if not sooner, and this pathway will be published in due course.

DEBT

The Company has two facilities with Royal Bank of Scotland. The first is a term loan of £110 million which is fully drawn. The Company has entered into an interest rate swap on the whole of the term loan, and that is currently marked to market and showing as a liability of £4.05 million on the balance sheet. The second element of the debt is a revolving credit facility (RCF) that totals £55 million. At 30 June £14 million was drawn under the RCF. Both facilities mature in April 2023. The all-in cost of the debt at 30 June was 2.6%.

CONCLUSION

The reporting period obviously covers a remarkable period, with a global shock the like of which none of us have seen before. Not only will the impact of COVID-19 continue for the foreseeable future, but we also have the culmination of Brexit at the end of the year. What does this mean for the outlook? Well, the honest answer is that we don't yet know. In the short term the wider economic challenges are likely to lead to a softening of occupier demand and further weakening in rents. Yields are likely to move out on risk assets (but long secure income will remain sought after). We do not believe in taking rash or hurried decisions in times of change and uncertainty. Instead, we start by asking ourselves "is this a property that is affordable and will continue to meet the needs of our tenants or other occupiers"? We continue to make every effort to hold assets that enable our tenants to function and make money. The importance of working with our tenants to achieve mutually beneficial outcomes is greater than ever, and so is doing the right thing in an ESG context – now is not the time to forget about our basic beliefs that have served us well in the past. We believe that the portfolio remains well positioned to continue to meet our aspirations, but will continue to monitor this closely.

Jason Baggaley
Investment Manager
21 September 2020

Strategic Report
Investment Manager's Report
Portfolio Statistics as at 30 June 2020

TOP TEN TENANTS

#	Tenant	Passing Rent	%
1	BAE Systems	£1,257,640	4.6%
2	The Symphony Group Plc	£1,225,000	4.5%
3	Public sector	£1,158,858	4.2%
4	Schlumberger Oilfield UK plc	£1,138,402	4.1%
5	Timbmet Group Limited	£799,683	2.9%
6	Atos IT Services UK Ltd	£783,360	2.8%
7	CEVA Logistics Limited	£671,958	2.4%
8	Timeline Wholesale Services (UK) Ltd	£635,554	2.3%
9	G W Atkins & Sons Ltd	£625,000	2.3%
10	Crown Worldwide Holdings Ltd	£455,363	1.7%

Total: £8,750,818
Total % of Total Rent: 31.8%

Total Group Passing Rent: £27,502,133

TOP TEN PROPERTIES

1	54 Hagley Road	Birmingham	£22m-£24m	Office (5.2%)
2	Symphony	Rotherham	£18m-£20m	Industrial (4.1%)
3	The Pinnacle	Reading	£14m-£16m	Office (3.4%)
4	Marsh Way	Rainham	£14m-£16m	Industrial (3.2%)
5	Hollywood Green	London	£14m-£16m	Other (3.1%)
6	Timbmet	Shellingford	£14m-£16m	Industrial (3.1%)
7	New Palace Place	London	£12m-£14m	Office (3.0%)
8	15 Basinghall Street	London	£12m-£14m	Office (3.0%)
9	Badentoy Industrial Est.	Aberdeen	£12m-£14m	Industrial (2.8%)
10	Atos Data Centre	Birmingham	£12m-£14m	Other (2.8%)

LEASE EXPIRY PROFILE

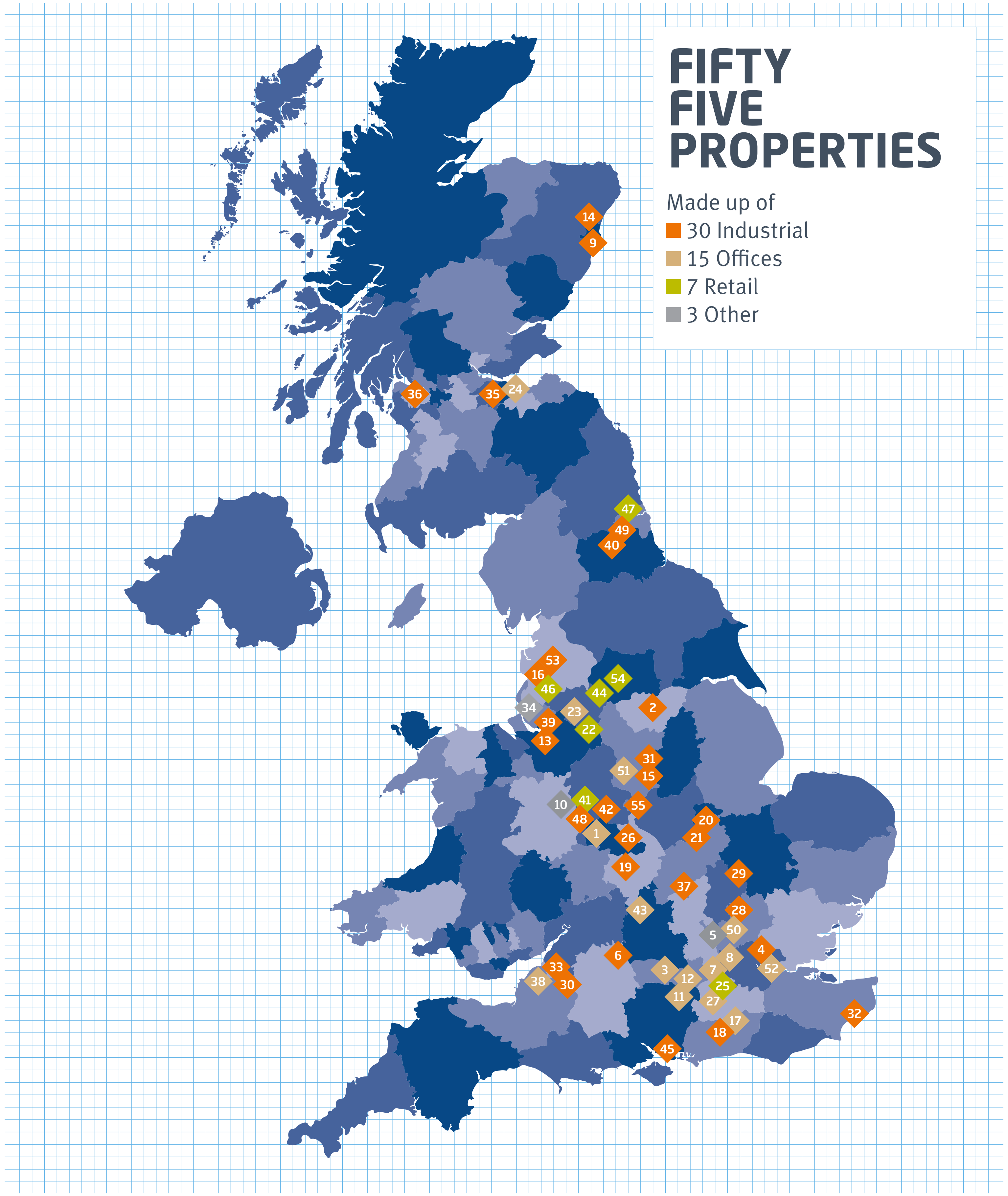
Total 5 year band		0–5 years	6–10 years	11–15 years	16–20 years	21–25 years
Initial rent £	27,502,133	–	–	–	–	–
Rent expiring £		14,898,468	8,867,313	1,544,748	1,298,415	893,189
Rent expiring %		54.3%	32.2%	5.6%	4.7%	3.2%

Strategic Report
Investment Manager's Report
Property Investments as at 30 June 2020

#	Name	Location	Sub-sector	Market value	Tenure	Area sq ft	Occupancy
1	54 Hagley Road	Birmingham	Office	£22m–£24m	Leasehold	141,436	62%
2	Symphony	Rotherham	Industrial	£18m–£20m	Leasehold	364,974	100%
3	The Pinnacle	Reading	Office	£14m–£16m	Freehold	39,447	94.0%
4	Marsh Way	Rainham	Industrial	£14m–£16m	Leasehold	82,090	100%
5	Hollywood Green	London	Other	£14m–£16m	Freehold	64,503	100%
6	Timbmet	Shellingford	Industrial	£14m–£16m	Freehold	214,882	100%
7	New Palace Place	London	Office	£12m–£14m	Leasehold	18,723	86.5%
8	15 Basinghall Street	London	Office	£12m–£14m	Freehold	17,485	82.2%
9	Badentoy	Aberdeen	Industrial	£12m–£14m	Freehold	67,843	100%
10	Atos Data Centre	Birmingham	Other	£12m–£14m	Freehold	40,146	100%
11	Chester House	Farnborough	Office	£10m–£12m	Leasehold	49,861	100%
12	One Station Square	Bracknell	Office	£10m–£12m	Leasehold	42,429	100%
13	Broadoak Business Park	Trafford	Industrial	£10m–£12m	Freehold	114,999	96.2%
14	Ocean Trade Centre	Aberdeen	Industrial	£10m–£12m	Freehold	103,120	95.2%
15	Tetron 141	Swadlincote	Industrial	£10m–£12m	Freehold	141,459	100%
16	Walton Summit Industrial Estate	Preston	Industrial	£10m–£12m	Freehold	147,946	100%
17	Explorer 1 & 2 & Mitre Court	Crawley	Office	£10m–£12m	Freehold	43,533	86.3%
18	Foundry Lane	Horsham	Industrial	£10m–£12m	Freehold	76,292	86.8%
19	Budbrooke Industrial Estate	Warwick	Industrial	£8m–£10m	Freehold	89,939	100%
20	CEVA Logistics	Corby	Industrial	£8m–£10m	Freehold	195,225	100%
21	Shield	Kettering	Industrial	£8m–£10m	Freehold	216,753	100%
22	Howard Town Retail Park	High Peak	Retail	£8m–£10m	Mixed	48,796	100%
23	101 Princess Street	Manchester	Office	£8m–£10m	Freehold	41,096	100%
24	Causeway House	Edinburgh	Office	£8m–£10m	Freehold	39,522	87.3%
25	82/84 Eden Street	Kingston Upon Thames	Retail	£8m–£10m	Freehold	24,234	100%
26	Swift House	Rugby	Industrial	£8m–£10m	Leasehold	100,564	100%
27	The Kirkgate	Epsom	Office	£8m–£10m	Freehold	26,333	56.2%
28	Foxholes Business Park	Hertford	Industrial	£6m–£8m	Freehold	41,527	75.4%
29	Flamingo Flowers Limited	Sandy	Industrial	£6m–£8m	Freehold	125,774	100%
30	Kings Business Park	Bristol	Industrial	£6m–£8m	Freehold	58,413	100%

Strategic Report
Investment Manager's Report
Property Investments as at 30 June 2020 continued

#	Name	Location	Sub-sector	Market value	Tenure	Area sq ft	Occupancy
31	Tetron 93	Swadlincote	Industrial	£6m–£8m	Freehold	93,836	100%
32	P&O Warehouse	Dover	Industrial	£4m–£6m	Freehold	84,376	0%
33	Wincanton	Bristol	Industrial	£4m–£6m	Leasehold	196,914	100%
34	Grand National Retail Park	Liverpool	Other	£4m–£6m	Freehold	38,223	100%
35	Units 1 & 2 Cullen Square	Livingston	Industrial	£4m–£6m	Freehold	81,288	100%
36	Speedy Hire Unit	Glasgow	Industrial	£4m–£6m	Freehold	61,033	100%
37	Mount Farm	Milton Keynes	Industrial	£4m–£6m	Freehold	74,709	100%
38	31/32 Queen Square	Bristol	Office	£4m–£6m	Freehold	13,124	100%
39	Opus 9 Industrial Estate	Warrington	Industrial	£4m–£6m	Freehold	54,904	100%
40	Stephenson Industrial Estate	Washington	Industrial	£4m–£6m	Freehold	150,257	100%
41	Victoria Shopping Park	Hednesford	Retail	£4m–£6m	Leasehold	37,096	100%
42	Units H1, H2 & G, Nexus Point	Birmingham	Industrial	£4m–£6m	Freehold	46,495	100%
43	Endeavor House	Kidlington	Office	£4m–£6m	Freehold	23,414	100%
44	The Point Retail Park	Rochdale	Retail	£4m–£6m	Freehold	42,224	100%
45	Unit 2	Fareham	Industrial	£4m–£6m	Leasehold	38,217	100%
46	Olympian Way	Bradford	Retail	£4m–£6m	Leasehold	31,781	100%
47	Middle Engine Lane	North Shields	Retail	£2m–£4m	Freehold	16,361	100%
48	21 Gavin Way	Birmingham	Industrial	£2m–£4m	Freehold	36,376	100%
49	Unit 4 Monkton Business Park	Newcastle	Industrial	£2m–£4m	Freehold	33,021	100%
50	Anglia House	Herts	Office	£2m–£4m	Freehold	16,982	100%
51	Interfleet House	Derby	Office	£2m–£4m	Freehold	28,735	100%
52	Persimmon House	Dartford	Office	£2m–£4m	Freehold	14,957	100%
53	Unit 4 Easter Park	Bolton	Industrial	£2m–£4m	Leasehold	35,534	100%
54	26/28 Valley Road	Bradford	Retail	£2m–£4m	Freehold	14,175	100%
55	Unit 14 Interlink Park	Bardon	Industrial	£2m–£4m	Freehold	32,747	100%
	Total property portfolio			447,295,000			



Governance

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Interim Management Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- The condensed Unaudited Consolidated Financial Statements have been prepared in accordance with IAS 34; and
- The Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.
- In accordance with 4.2.9R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, it is confirmed that this publication has not been audited or reviewed by the Company's auditors.

The Interim Report, for the six months ended 30 June 2020, comprises an Interim Management Report in the form of the Chair's Statement, the Investment Manager's Report, the Directors' Responsibility Statement and a condensed set of Unaudited Consolidated Financial Statements. The Directors each confirm to the best of their knowledge that:

a. the Unaudited Consolidated Financial Statements are prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and

b. the Interim Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties faced.

For and on behalf of the Directors of Standard Life Investments Property Income Trust Limited.

Approved by the Board on
21 September 2020
James Clifton-Brown
Chair

FINANCIAL STATEMENTS

Financial Statements
Unaudited Consolidated Statement of Comprehensive Income for the period ended 30 June 2020

	Notes	1 Jan 2020 to 30 Jun 2020 £	1 Jan 2019 to 30 Jun 2019 £	1 Jan 2019 to 31 Dec 2019 £
Rental income		14,475,764	15,360,183	29,878,646
Service charge income		846,574	1,196,706	3,313,463
Surrender premium		—	—	580,000
Valuation (loss)/gain from investment properties	3	(38,278,871)	958,500	(3,613,836)
(Loss)/gain on disposal of investment properties	3	(97,867)	867,550	427,304
Investment management fees	2	(1,596,433)	(1,754,640)	(3,492,880)
Valuer's fees		(45,402)	(50,346)	(97,668)
Auditor's fees		(39,250)	(40,125)	(81,850)
Directors' fees and expenses		(125,882)	(117,006)	(227,276)
Service charge expenditure		(846,574)	(1,196,706)	(3,313,463)
Other direct property expenses		(2,540,224)	(1,397,144)	(2,935,023)
Other administration expenses		(346,263)	(363,770)	(530,862)
Operating (loss)/profit		**(28,594,428)**	**13,463,202**	**19,906,555**
Finance income		3,801	7,656	15,856
Finance costs		(1,823,245)	(1,841,277)	(3,778,280)
(Loss)/profit for the period before taxation		**(30,413,872)**	**(11,629,581)**	**16,144,131**
Taxation				
Tax charge		—	—	—
(Loss)/profit for the period, net of tax		**(30,413,872)**	**(11,629,581)**	**16,144,131**
Other Comprehensive Income				
Valuation (loss) on cash flow hedge		(1,831,613)	(1,593,258)	(1,416,653)
Total other comprehensive loss		**(1,831,613)**	**(1,593,258)**	**(1,416,653)**
Total comprehensive (loss)/profit for the period, net of tax		**(32,245,485)**	**10,036,323**	**14,727,478**
Earnings per share		**(p)**	**(p)**	**(p)**
Basic and diluted earnings per share	5	(7.48)	2.87	3.98
Adjusted (EPRA) earnings per share		1.96	2.42	4.76

All items in the above Unaudited Consolidated Statement of Comprehensive Income derive from continuing operations.

The notes on pages 32 to 35 are an integral part of these Unaudited Consolidated Financial Statements.

Financial Statements
Unaudited Consolidated Balance Sheet as at 30 June 2020

	Notes	30 Jun 2020 £	30 Jun 2019 £	31 Dec 2019 £
Non-current assets				
Investment properties	3	442,987,223	493,897,366	477,855,299
Lease incentives	3	5,211,158	3,898,149	5,523,822
Rental deposits held on behalf of tenants		1,393,927	966,657	1,298,364
		449,592,308	**498,762,172**	**484,677,485**
Current assets				
Investment properties held for sale	4	—	—	10,700,000
Trade and other receivables		9,898,419	3,834,177	3,913,519
Cash and cash equivalents		4,993,983	11,699,447	6,475,619
		14,892,402	15,533,624	21,089,138
Total Assets		**464,484,710**	**514,295,796**	**505,766,623**
LIABILITIES				
Current liabilities				
Trade and other payables		10,894,423	12,249,103	9,232,072
Interest rate swap	8	1,194,281	595,528	644,465
		12,088,704	**12,844,631**	**9,876,537**
Non-current liabilities				
Bank borrowings	9	123,421,818	127,203,418	127,316,886
Interest rate swap	8	2,857,948	1,801,693	1,576,151
Obligations under finance leases		903,831	1,716,391	904,121
Rent deposits due to tenants		1,393,927	966,657	1,298,364
		128,577,524	**131,688,159**	**131,095,522**
Total liabilities		**140,666,228**	**144,532,790**	**140,972,059**
Net assets		**323,818,482**	**369,763,006**	**364,794,564**
EQUITY				
Capital and reserves attributable to Company's equity holders				
Share capital		228,383,857	227,431,057	227,431,057
Retained earnings		4,447,819	6,300,815	6,168,350
Capital reserves		(6,851,566)	38,192,762	33,356,785
Other distributable reserves		97,838,372	97,838,372	97,838,372
Total equity		323,818,482	369,763,006	364,794,564
NAV per share		**79.6**	**91.1**	**91.0**
EPRA NAV per share		**80.6**	**91.7**	**91.2**

The notes on pages 32 to 35 are an integral part of these Unaudited Consolidated Financial Statements.

Financial Statements

Unaudited Consolidated Statement of Changes in Equity for the period ended 30 June 2020

	Notes	Share Capital £	Retained Earnings £	Capital Reserves £	Other Distributable Reserves £	Total equity £
Opening balance 1 January 2020		**227,431,057**	**6,168,350**	**33,356,785**	**97,838,372**	**364,794,564**
Loss for the period		—	(30,413,872)	—	—	(30,413,872)
Other comprehensive income		—	—	(1,831,613)	—	(1,831,613)
Total comprehensive loss for the period		—	(30,413,872)	(1,831,613)	—	(32,245,485)
Ordinary shares issued net of issue costs		952,800	—	—	—	952,800
Dividends paid	7	—	(9,683,397)	—	—	(9,683,397)
Valuation loss from investment properties	3	—	38,278,871	(38,278,871)	—	—
Loss on disposal of investment properties	3	—	97,867	(97,867)	—	—
Balance at 30 June 2020		**228,383,857**	**4,447,819**	**(6,851,566)**	**97,838,372**	**323,818,482**

	Notes	Share Capital £	Retained Earnings £	Capital Reserves £	Other Distributable Reserves £	Total equity £
Opening balance 1 January 2019		**227,431,057**	**6,156,881**	**37,959,970**	**97,838,372**	**369,386,280**
Surplus for the period		—	11,629,581	—	—	11,629,581
Other comprehensive income		—	—	(1,593,258)	—	(1,593,258)
Total comprehensive profit for the period		—	11,629,581	(1,593,258)	—	10,036,323
Ordinary shares issued net of issue costs		—	—	—	—	—
Dividends paid	7	—	(9,659,597)	—	—	(9,659,597)
Valuation gain from investment properties	3	—	(958,500)	958,500	—	—
Profit on disposal of investment properties	3	—	(867,550)	867,550	—	—
Balance at 30 June 2019		**227,431,057**	**6,300,815**	**38,192,762**	**97,838,372**	**369,763,006**

	Notes	Share Capital £	Retained Earnings £	Capital Reserves £	Other Distributable Reserves £	Total equity £
Opening balance 1 January 2019		**227,431,057**	**6,156,881**	**37,959,970**	**97,838,372**	**369,386,280**
Profit for the year		—	16,144,131	—	—	16,144,131
Other comprehensive income		—	—	(1,416,653)	—	(1,416,653)
Total comprehensive profit for the period		—	16,144,131	(1,416,653)	—	14,727,478
Ordinary shares issued net of issue costs		—	—	—	—	—
Dividends paid	7	—	(19,319,194)	—	—	(19,319,194)
Valuation loss from investment properties		—	3,613,836	(3,613,836)	—	—
Gain on disposal of investment properties		—	(427,304)	427,304	—	—
Balance at 31 December 2019		**227,431,057**	**6,168,350**	**33,356,785**	**97,838,372**	**364,794,564**

The notes on pages 32 to 35 are an integral part of these Unaudited Consolidated Financial Statements.

Financial Statements

Unaudited Consolidated Cash Flow Statement for the period ended 30 June 2020

Cash flows from operating activities	Notes	1 Jan 2020 to 30 Jun 2020 £	1 Jan 2019 to 30 Jun 2019 £	1 Jan 2019 to 31 Dec 2019 £
(Loss)/profit for the period before taxation		(30,413,872)	11,629,581	16,144,131
Movement in lease incentives		(659,591)	(784,580)	(1,881,958)
Movement in trade and other receivables		(6,080,465)	(941,426)	(400,215)
Movement in trade and other payables		1,757,627	2,185,152	(2,216,558)
Finance costs		1,823,245	1,841,277	3,778,280
Finance income		(3,801)	(7,656)	(15,856)
Valuation surplus from investment properties	3	38,278,871	(958,500)	3,613,836
Deficit/(surplus) on disposal of investment properties	3	97,867	(867,550)	(427,304)
Net cash inflow from operating activities		**4,799,881**	**12,096,299**	**18,594,355**
Cash flows from investing activities				
Interest received		3,801	7,656	15,856
Purchase of investment properties		—	—	(25,808,526)
Capital expenditure on investment properties	3	(2,438,541)	(1,076,919)	(4,628,353)
Net proceeds from disposal of investment properties	3	10,602,133	5,967,550	35,067,304
Net cash inflow from investing activities		**8,167,393**	**4,898,287**	**4,646,281**
Cash flows from financing activities				
Net proceeds on issue of ordinary shares		952,800	—	—
RCF Bank borrowing		6,000,000	1,000,000	1,000,000
Repayment of RCF		(10,000,000)	(3,000,000)	(3,000,000)
Bank borrowing arrangement costs		—	(150,000)	(150,000)
Interest paid on bank borrowing		(1,545,552)	(1,452,231)	(2,986,775)
Payments on interest rate swap		(172,761)	(298,283)	(574,021)
Dividends paid to the Company's shareholders	7	(9,683,397)	(9,659,597)	(19,319,194)
Net cash (outflow) from financing activities		**(14,448,910)**	**(13,560,111)**	**(25,029,989)**
Net (decrease)/increase in cash and cash equivalents		**(1,481,636)**	**3,434,475**	**(1,789,354)**
Cash and cash equivalents at beginning of period		6,475,619	8,264,972	8,264,972
Cash and cash equivalents at end of period		**4,993,983**	**11,699,447**	**6,475,619**

The notes on pages 32 to 35 are an integral part of these Unaudited Consolidated Financial Statements.

Financial Statements
Notes to the Unaudited Consolidated Financial Statements for the period ended 30 June 2020

1 ACCOUNTING POLICIES

The Unaudited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34 'Interim Financial Reporting' and, except as described below, the accounting policies set out in the statutory accounts of the Group for the year ended 31 December 2019. The condensed Unaudited Consolidated Financial Statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2019, which were prepared under full IFRS requirements.

2 RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Investment Manager

Aberdeen Standard Fund Managers Limited, as the Manager of the Group from 10 December 2018, (previously Standard Life Investments (Corporate Funds) Limited), received fees for their services as Investment Managers.

Until 30 June 2019, under the terms of the IMA the Investment Manager was entitled to 0.75% of total assets up to £200 million; 0.70% of total assets between £200 million and £300 million; and 0.65% of total assets in excess of £300 million. From 1 July 2019, under the terms of the IMA the Investment Manager is entitled to 0.70% of total assets up to £500 million; and 0.60% of total assets in excess of £500 million. The total fees charged for the period ended 30 June 2020 amounted to £1,596,433 (period ended 30 June 2019: £1,754,640). The total amount due and payable at the period end amounted to £791,146 excluding VAT (period ended 30 June 2019: £875,388 excluding VAT).

3 INVESTMENT PROPERTIES

Country	UK	UK	UK	UK	
Class	Industrial	Office	Retail	Other	Total
	30 Jun 2020	30 Jun 2020	30 Jun 2020	30 Jun 2020	30 Jun 2020
Market value as at 1 January	252,800,000	163,305,000	42,270,000	34,800,000	493,175,000
Purchase of investment properties	—	—	—	—	—
Capital expenditure on investment properties	966,831	1,471,710	—	—	2,438,541
Opening market value of disposed investment properties	—	(10,700,000)	—	—	(10,700,000)
Valuation loss from investment properties	(18,640,688)	(11,393,482)	(5,513,559)	(2,730,403)	(38,278,132)
Movement in lease incentives receivable	373,857	186,772	118,559	(19,597)	659,591
Market value at 30 June	235,500,000	142,870,000	36,875,000	32,050,000	447,295,000
Right of use asset recognised on leasehold properties	—	903,381	—	—	903,381
Adjustment for lease incentives	(2,373,841)	(1,831,197)	(420,005)	(586,115)	(5,211,158)
Carrying value at 30 June	233,126,159	141,942,184	36,454,995	31,463,885	442,987,223

The market value provided by Knight Frank LLP at the period ended 30 June 2020 was £447,295,000 (30 June 2019: £496,830,000) however an adjustment has been made for lease incentives of £5,211,158 (30 June 2019: £4,649,025) that are already accounted for as an asset.

In addition there has been a reduction in the value of the right of use asset on leasehold properties of £739 resulting in the total valuation loss in the Unaudited Consolidated Statement of Comprehensive Income being £38,278,871.

In the Unaudited Consolidated Cash Flow Statement, surplus from disposal of investment properties comprise:

	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 30 Jun 2019	1 Jan 2019 to 31 Dec 2019
Opening market value of disposed investment properties	10,700,000	5,100,000	34,640,000
(Loss)/profit on disposal of investment properties	(97,867)	867,550	427,304
Net proceeds from disposed investment properties	**10,602,133**	**5,967,550**	**35,067,304**

4 INVESTMENT PROPERTIES HELD FOR SALE

There were no assets held for sale as at 30 June 2020 (2019: £nil).

5 EARNINGS PER SHARE

The earnings per Ordinary share are based on the net loss for the period of £30,413,872 (30 June 2019: profit of £11,629,581) and 406,671,111 (30 June 2019: 405,865,419) ordinary shares, being the weighted average number of shares in issue during the period.

Earnings for the period to 30 June 2020 should not be taken as a guide to the results for the year to 31 December 2020.

6 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Group undertakings consist of the following 100% owned subsidiaries at the Balance Sheet date:

- Standard Life Investments Property Holdings Limited, a property investment company with limited liability incorporated in Guernsey, Channel Islands.
- Standard Life Investments (SLIPIT) Limited Partnership, a property investment limited partnership established in England.
- Standard Life Investments SLIPIT (General Partner) Limited, a company with limited liability incorporated in England. This Company is the GP for the Limited Partnership.
- Standard Life Investments SLIPIT (Nominee) Limited, a company with limited liability incorporated and domiciled in England.
- Hagley Road Limited, a property investment company with limited liability incorporated in Jersey, Channel Islands.

7 DIVIDENDS AND PROPERTY INCOME DISTRIBUTION GROSS OF INCOME TAX

	30 Jun 2020 £	30 Jun 2019 £	31 Dec 2019 £
Non property income distributions			
1.043p per ordinary share paid in March 2019 relating to the quarter ending 31 December 2018	—	4,233,176	507,333
0.474p per ordinary share paid in November 2019 relating to the quarter ending 30 September 2019	—	—	1,923,802
0.561p per ordinary share paid in March 2020 relating to the quarter ending 31 December 2019	2,282,515	—	—
0.238p per ordinary share paid in May 2020 relating to the quarter ending 31 March 2020	968,340	—	—
Property income distributions			
0.147p per ordinary share paid in March 2019 relating to the quarter ending 31 December 2018	—	596,623	4,322,467
1.19p per ordinary share paid in May 2019 relating to the quarter ending 31 March 2019	—	4,829,798	4,829,798
1.19p per ordinary share paid in August 2019 relating to the quarter ending 30 June 2019	—	—	4,829,798
0.716p per ordinary share paid in November 2019 relating to the quarter ending 30 September 2019	—	—	2,905,996
0.629p per ordinary share paid in March 2020 relating to the quarter ending 31 December 2019	2,559,183	—	—
0.952p per ordinary share paid in May 2020 relating to the quarter ending 31 March 2020	3,873,359	—	—
	9,683,397	**9,659,597**	**19,319,194**

A property income dividend of 0.714p per share was declared on 3 August 2020 in respect of the quarter to 30 June 2020 – a total payment of £2,905,019. This was paid on 28 August 2020.

Financial Statements

Notes to the Unaudited Consolidated Financial Statements for the period ended 30 June 2019 continued

8 FINANCIAL INSTRUMENTS AND INVESTMENT PROPERTIES

Fair values

The fair value of financial assets and liabilities is not materially different from the carrying value in the financial statements.

Fair value hierarchy

The first table shows an analysis of the fair values of investment properties recognised in the balance sheet by the level of the fair value hierarchy:

30 June 2020	Level 1	Level 2	Level 3	Total fair value
Investment properties	—	—	448,198,381	448,198,381

The lowest level of input is the underlying yields on each property which is an input not based on observable market data.

The following table shows an analysis of the fair values of financial instruments recognised in the balance sheet by the level of the fair value hierarchy:

30 June 2020	Level 1	Level 2	Level 3	Total fair value
Loan facilities	—	127,501,843	—	127,501,843

The lowest level of input is the interest rate payable on each borrowing which is a directly observable input.

30 June 2020	Level 1	Level 2	Level 3	Total fair value
Interest rate swap	—	4,052,229	—	4,052,229

Of the figure above, £1,194,281 is included within current liabilities and £2,857,948 is included within non-current liabilities. The lowest level of input is the three month LIBOR yield curve which is a directly observable input.

There were no transfers between levels of fair value hierarchy during the six months ended 30 June 2020.

Explanation of the fair value hierarchy:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of investment properties is calculated using unobservable inputs as described in the annual report and accounts for the year ended 31 December 2019.

Sensitivity of measurement to variance of significant unobservable inputs:

- A decrease in the estimated annual rent will decrease the fair value.
- An increase in the discount rates and the capitalisation rates will decrease the fair value.
- There are interrelationships between these rates as they are partially determined by the market rate conditions.
- The fair value of the derivative interest rate swap contract is estimated by discounting expected future cash flows using current market interest rates and yield curves over the remaining term of the instrument.

The fair value of the loan facilities is estimated by discounting expected future cash flows using the current interest rates applicable to each loan.

9 BANK BORROWINGS

The Company's debt facilities comprise a term loan of £110 million which has a fixed interest rate of 2.725%, a £35 million revolving credit facility ("RCF") with interest payable at LIBOR plus a margin of 1.45%, plus an additional £20 million of RCF with a margin of 1.60% above LIBOR. All loans are with The Royal Bank of Scotland International Limited ("RBSI") and mature in April 2023.

At 30 June 2020, £14 million of RCF was drawn.

Under the terms of the loan facility there are certain events which would entitle RBS to terminate the loan facility and demand repayment of all sums due. Included in these events of default is the financial undertaking relating to the LTV percentage. The loan agreement notes that the LTV percentage is calculated as the loan amount less the amount of any sterling cash deposited within the security of RBS divided by the gross secured property value, and that this percentage should not exceed 60% for the period to and including 27 April 2021 and should not exceed 55% after 27 April 2021 to maturity.

10 EVENTS AFTER THE BALANCE SHEET DATE

On 28 August the Company paid a property income dividend of 0.714p per share.

On 4 September, the Group acquired a new property at Halesowen, let to B&Q, for £19.5 million (£20.7 million including costs). In order to fund this acquisition an additional £21 million of RCF was drawn.

Information for Investors and Additional Performance Measures

Glossary

AIC	Association of Investment Companies. The trade body representing closed-ended investment companies.
Annual rental income	Cash rents passing at the Balance Sheet date.
Average debt maturity	The weighted average amount of time until the maturity of the Group's debt facilities.
Break option	A break option (alternatively called a 'break clause' or 'option to determine') is a clause in a lease which provides the landlord or tenant with a right to terminate the lease before its contractual expiry date, if certain criteria are met.
Contracted rent	The contracted gross rent receivable which becomes payable after all the occupied incentives in the letting have expired.
Covenant strength	This refers to the quality of a tenant's financial status and its ability to perform the covenants in a Lease.
Dividend	A sum of money paid regularly by the Company to its shareholders. The Company currently pays dividends to shareholders quarterly.
Dividend cover	The ratio of the company's net surplus after tax (excluding capital items) to the dividends paid.
Dividend yield	Annual dividend expressed as a percentage of share price on any given day.
Earnings per share (EPS)	Surplus for the period attributable to shareholders divided by the weighted average number of shares in issue during the period.
EPRA European Public Real Estate Association	The industry body representing listed companies in the real estate sector.
ERV	The estimated rental value of a property, provided by the property valuers.
Fair value	Fair value is defined by IFRS 13 as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.
Fair value movement	Fair value movement is the accounting adjustment to change the book value of an asset or liability to its market value, and subsequent changes in market value.
Gearing ratio	Calculated as gross borrowings (excluding swap valuation) divided by total assets. The Articles of Association of the Company have a 65% gearing ratio limit.
Group	Standard Life Investments Property Income Trust Limited and its subsidiaries.
IFRS	International Financial Reporting Standards.
Index linked	The practice of linking the review of a tenant's payments under a lease to a published index, most commonly the Retail Price Index (RPI) but also the Consumer Price Index (CPI).
MSCI	An independent organisation supplying an expansive range of regional and global indexes, research, performance modelling, data metrics and risk analytics across direct property, listed and unlisted vehicles, joint ventures, separate accounts and debt.
MSCI Benchmark	Quarterly version of MSCI Monthly Index Funds.
Loan to Value	Calculated as net borrowings (gross borrowings less cash excluding swap valuation) divided by portfolio value. SWAP valuations at fair value are not considered relevant in gearing calculations.
NAV	Net Asset Value is the equity attributable to shareholders calculated under IFRS.
NAV total return	The return to shareholders, expressed as a percentage of opening NAV, calculated on a per share basis by adding dividends paid in the period to the increase or decrease in NAV. Dividends are assumed to have been reinvested in the quarter they are paid, excluding transaction costs.
Net initial yield (NIY)	The net initial yield of a property is the initial net income at the date of purchase, expressed as a percentage of the gross purchase price including the costs of purchase.
Over-rented	Space where the passing rent is above the ERV.
Passing rent	The rent payable at a particular point in time.
Portfolio fair value	The market value of the Group's property portfolio, which is based on the external valuation provided by Knight Frank LLP.
Portfolio total return	Combining the Portfolio Capital Return (the change in property value after taking account of property sales, purchases and capital expenditure in the period) and Portfolio Income Return (net property income after deducting direct property expenditure), assuming portfolio income is re-invested.
Portfolio yield	Passing rent as a percentage of gross property value.
Premium/Discount to NAV	The difference between the share price and NAV per share, expressed as a percentage of NAV. Premium representing a higher share price compared to NAV per share, discount the opposite.
Rack-rented	Space where the passing rent is the same as the ERV.
REIT	A Real Estate Investment Trust (REIT) is a single company REIT or a group REIT that owns and manages property on behalf of shareholders. In the UK, a company or group of companies can apply for 'UK-REIT' status, which exempts the company from corporation tax on profits and gains from their UK qualifying property rental businesses.
Rent free	A period within a lease (usually from the lease start date on new leases) where the tenant does not pay any rent.
Rent review	A rent review is a periodic review (usually five yearly) of rent during the term of a lease. The vast majority of rent review clauses require the assessment of the open market, or rack rental value, at the review date, in accordance with specified terms, but some are geared to other factors, such as the movement in an Index.
Reversionary yield	Estimated rental value as a percentage of the gross property value.
RICS	The Royal Institution of Chartered Surveyors, the global professional body promoting and enforcing the highest international standards in the valuation, management and development of land, real estate, construction and infrastructure.
Share price	The value of each of the company's shares at a point in time as quoted on the Main Market of the London Stock Exchange.
Share price total return	The return to shareholders, expressed as a percentage of opening share price, calculated on a per share basis by adding dividends paid in the period to the increase or decrease in share price. Dividends are assumed to have been reinvested in the quarter they are paid, excluding transaction costs.
Void rate	The quantum of ERV relating to properties which are unlet and generating no rental income. Stated as a percentage of total portfolio ERV.

Information for Investors

Information for Investors

AIFMD/PRE-INVESTMENT DISCLOSURE DOCUMENT ("PIDD")

The Company has appointed Aberdeen Standard Fund Managers Limited as its alternative investment fund manager and Citibank Europe plc as its depositary under the AIFMD. AIFMD requires Aberdeen Standard Fund Managers Limited, as the alternative investment fund manager ("AIFM") of Standard Life Investments Property Income Trust Limited, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under AIFMD are published in the Company's PIDD, which can be found on its website. The periodic disclosures required to be made by the AIFM under AIFMD are set out on page 93 of the 2019 Annual Report.

INVESTOR WARNING: BE ALERT TO SHARE FRAUD AND BOILER ROOM SCAMS

Aberdeen Standard Investments has been contacted by investors informing them that they have received telephone calls and emails from people who have offered to buy their investment trust shares, purporting to work for Aberdeen Standard Investments.

Aberdeen Standard Investments has also been notified of emails claiming that certain investment companies under their management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be "boiler room" scams where a payment from you is required to release the supposed payment for your shares. These calls/senders do not work for Aberdeen Standard Investments and any third party making such offers/claims has no link with Aberdeen Standard Investments.

Aberdeen Standard Investments does not "cold-call" investors in this way. If you have any doubt over whether a caller is genuine, do not offer any personal information, end the call and contact the Customer Services Department (see the following for their contact details).

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams: www.fca.org.uk/consumers/scams.

SHARE REGISTER ENQUIRIES

Shareholders who hold their shares in certificated form can check their shareholding with the Registrar.

Notifications of changes of address and all enquiries regarding certificates or dividend cheques should be sent in writing to the Registrar whose details are shown on page 40.

KEEPING YOU INFORMED

The Company's shares are listed on the London Stock Exchange and the share price is quoted daily in the Financial Times.

Details of the Company may also be found on the Company's own dedicated website at: www.slipit.co.uk.

This provides information on the Company's share price performance, capital structure, stock exchange announcement and an Investment Manager's monthly factsheet. Alternatively you can call 0808 500 0040 (free when dialing from a UK landline) for Company information.

If you have any questions about your Company, the Investment Manager or performance, please telephone the Customer Services Department (direct private investors) on 0808 500 0040. Alternatively, please send an email to inv.trusts@aberdeen-asset.com or write to Aberdeen Standard Investments, PO Box 11020, Chelmsford, Essex CM99 2DB. In the event of queries regarding holdings of shares, lost certificates, dividend payments, registered details, shareholders holding their shares in the Company directly should contact the Registrar, Computershare Investor Services (Guernsey) Limited on +44 (0) 370 707 4040 or by writing to the address on page 40. Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the Registrar in writing.

HOW TO INVEST IN THE COMPANY

Individual investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through Aberdeen Standard Investments' Plan for Children, Investment Trust Share Plan or Investment Trust ISA.

Aberdeen Standard Investments Plan for Children

Aberdeen Standard Investments runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investments Trust Share Plan

Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investments Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the tax year 2020/2021.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA transfer

You can choose to transfer previous tax year investments to the Aberdeen Standard Investments Investment Trust ISA which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

LITERATURE REQUEST SERVICE

For literature and information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer including application forms for the Company and the Manager's investment trust products, please contact:

Aberdeen Standard Investments Trust Administration
PO Box 11020
Chelmsford
Essex CM99 2DB
Tel: 0808 500 00 40
(free when dialling from a UK landline)

Terms and conditions for the Aberdeen Standard Investments managed savings products can also be found under the literature section of www.invtrusts.co.uk.

ONLINE DEALING DETAILS

Investor information

There are a number of other ways in which you can buy and hold shares in this investment company outwith Aberdeen Standard Investments savings products.

Online dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell Youinvest; Barclays Stockbrokers/Smart Investor; Charles Stanley Direct; Equiniti/Shareview; Halifax Share Dealing; Hargreave Hale; Hargreaves Lansdown; iDealing; Interactive Investor/TD Direct; Selftrade; The Share Centre; Stocktrade.

Discretionary private client stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association at www.pimfa.co.uk.

Independent Financial Advisers

To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk.

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:
Tel: 0800 111 6768 or at https://register.fca.org.uk/s/
Email: register@fca.org.uk

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking exposure to UK commercial property, and who understand and are willing to accept the risks of exposure to this asset class. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that the shares issued by Standard Life Investments Property Income Trust Limited can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments (NMPIs).

EFFECT OF REIT STATUS ON PAYMENT OF DIVIDENDS

REITs do not pay UK corporation tax in respect of rental profits and chargeable gains relating to property rental business. However, REITs are required to distribute at least 90% of their qualifying income (broadly calculated using the UK tax rules) as a Property Income Distribution ("PID").

Certain categories of shareholder may be able to receive the PID element of their dividends gross, without deduction of withholding tax. Categories which may claim this exemption include: UK companies, charities, local authorities, UK pension schemes and managers of PEPs, ISAs and Child Trust Funds.

Further information and the forms for completion to apply for PIDs to be paid gross are available from the Registrar.

Where the Group pays an ordinary dividend, in addition to the PID, this will be treated in the same way as dividends from non-REIT companies.

RETAIL DISTRIBUTION

On 1 January 2014, the FCA introduced rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes (non-mainstream investment products). UK investment trusts are excluded from these restrictions.

NOTE

Please remember that past performance is not a guide to the future. Stock market movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of real estate investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

Information for Investors
Directors and Company Information

DIRECTORS
Robert Peto (retired 25 August 2020) [1]
Huw Evans [2]
Mike Balfour [3]
James Clifton-Brown [4]
Jill May (appointed 12 March 2019)
Sarah Slater [5] (appointed 27 November 2019)

REGISTERED OFFICE
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REGISTERED NUMBER
41352

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St Peter Port
Guernsey GY1 3QL

REGISTRAR
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Walkers (Guernsey) LLP
New Street
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135 Bishopsgate
London EC2M 3UR

PROPERTY VALUERS
Knight Frank LLP
55 Baker Street
London W1U 8AN

DEPOSITARY
Citibank Europe plc
Canada Square
London E14 5LB

1 Chair of the Board up until retirement.
2 Chair of the Management Engagement Committee and Senior Independent Director from 13 June 2019.
3 Chair of the Nomination & Remuneration Committee and also the Audit Committee from 13 June 2019.
4 Chair of the Property Valuation Committee up until 25 August 2020 when he became Chair of the Board.
5 Chair of Property Valuation Committee from 25 August 2020.