Half Year Report and
Consolidated Financial Statements
for the six months ended
31 December 2016

AXA PROPERTY TRUST LIMITED

INVESTMENT MANAGERS

retail.axa-im.co.uk/axa-property-trust

Contents

Key Financial Information

For the six month period ended 31 December 2016

- Sterling currency Net Asset Value ("NAV") was £39.69 million
- Loss was 0.58 pence per share
- No dividends were paid relating to the period
- No Redemptions of shares paid during the period

As at 31 December 2016

- NAV was 68.93 pence per share (30 June 2016: 67.20 pence)
- Share price[1] was 62.00 pence per share (30 June 2016: 55.13 pence)
- Gearing[2] was 0% (gross and net) (30 June 2016: 32.1% and 26.6%)

[1] Mid market share price (source: Stifel Nicolaus Europe Limited).
[2] Gearing is calculated as overall debt, either gross or net of cash (net of cash allocated to post-quarter distribution, debt repayment and Reps & other commitments) held by the group over property portfolio fair value.

Performance Summary

	Six month period 31 December 2016	Year ended 30 June 2016	% change
NAV (£000s)	39,689	38,694	2.57%
NAV per share	68.93p	67.20p	2.57%
(Loss)/Gain per share	(0.58)p	2.08p	n/a
Share redemptions paid	-	£16.2m	n/a
Share price[1]	62.00p	55.13p	12.46%
Share price discount to NAV	10.1%	18.0%	n/a
Gearing (gross)[2]	0%	32.1%	n/a
Total assets less current liabilities (£000s)[3]	40,905	40,475	1.06%

Total return	Six month period 31 December 2016	Six month period 31 December 2015
NAV Total Return[4]	2.6%	(4.5)%
Share price Total Return		
- AXA Property Trust	12.5%	24.5%
- FTSE All Share Index	12.0%	(2.0)%
- FTSE Real Estate Investment Trust Index	5.4%	3.9%

Past performance is not a guide to future performance.

[1] Mid-market share price (source: Stifel Nicolaus Europe Limited).
[2] Gearing is calculated as overall debt, either gross or net of cash held by the Group over property portfolio at fair value.
[3] Includes bank debt classified as a current liability.
[4] On a pro-forma basis which includes adjustments to add back any prior NAV reductions from share redemptions.

Source: AXA Investment Managers UK Limited and Stifel Nicolaus Europe Limited

Chairman's Statement

Charles Hunter, Chairman

The Board are pleased to report that during the period transactions were concluded to sell all but one of AXA Property Trust Limited's (the "Company") properties.

With its joint venture partner the Company completed the sale of the asset in Agnadello, Italy for a total sales price (at Joint Venture level) of €23.2 million and the disposal of the Rothenburg asset was contracted at €22.02 million with the sale subsequently completed in January 2017. Both prices were slightly below the previous valuations as at 30 September 2016 (Agnadello at -1.7% and Rothenburg at -1.3%), but following rigorous marketing and negotiation represent good prices.

A further sale, in Dasing, Germany which had contracted for sale in the previous period, completed as planned in August 2016.

Results

The Company and its subsidiaries (together the "Group") made a total net loss after tax of £0.34 million for the period to 31 December 2016. The Net Asset Value per share of the Company at 31 December 2016 was 68.93 pence (30 June 2016: 67.20 pence), a 2.6% increase compared to 30 June 2016.

The mid-market price of the Company's shares on the London Stock Exchange on 31 December 2016 was 62.00 pence, representing a discount of 10.1% to the Company's NAV at 31 December 2016.

Return of Capital to Shareholders

No return of capital was declared during the period and the dividend policy remains unchanged. Following the period end, a capital redemption of £18.4 million was announced with a payment date on 17 February 2017.

Bank Finance and Deleveraging

During the period, the Group fully repaid the main loan with Crédit Agricole and Crédit Foncier, using the sales proceeds from the Agnadello sale and leaving the Company with no outstanding external loan.

Prospects

The Manager continues to work on the sale of the last remaining property, the Multiplex cinema complex outside Bergamo, east of Milan. A number of interested buyers have come forward over the last year but it has not been possible to convert such interest into an acceptable sale transaction. The holding is a modern purpose designed building next to a busy shopping centre, and the Company receives, contracted for nearly 8 years, rental income from a major film distribution organisation. The Board, the Manager and their agents, believe it is in the interests of the shareholders to persist in the marketing campaign and not adopt a "forced sale" approach.

As this process could well continue for some time the Board, over the next few months will review the various option available to minimize the Company's expenses.

C. J. H. Hunter.

Charles Hunter
Chairman
21 March 2017

Investment Manager's Report

Ian Chappell, Fund Manager

Investment Manager

AXA Investment Managers UK Limited (the "Investment Manager", "AXA IM") is the UK subsidiary of AXA Investment Managers, a dedicated asset manager within the AXA Group. AXA Investment Managers is an innovative and fast-growing multi-expertise investment manager managing €700 billion in assets as at 30 September 2016.

AXA Real Estate Investment Managers UK Limited (the "Real Estate Adviser") is part of the real estate management arm of AXA Investment Managers S.A. ("AXA IM Real Assets"). AXA IM Real Assets offers a 360° view of real asset markets, investing in both equity and debt, across different geographies and sectors, and via private and listed instruments with €70 billion of assets under management and about 600 staff, operating in 24 countries as at 30 September 2016.

Source: AXA Investment Managers UK Limited

Fund Manager

Ian Chappell was appointed as the Fund Manager for AXA Property Trust in November 2015. He has very broad experience across Europe's real estate markets, having worked through several market cycles over the past 20 years and transacting and managing real estate assets covering core, core plus and value added strategies.

Ian graduated from Nottingham Trent University in 1991 and also holds a Master of Arts from the University of Newcastle Upon Tyne (1992). He was elected as Member of the Royal Institution of Chartered Surveyors in 1993. Ian is also a member of AXA IM Real Assets' Executive Committee

Market Outlook

Eurozone GDP growth remained steady at 0.3% quarter-on-quarter in Q3 2016. Household consumption and public spending were the main drivers, whereas growth in fixed investment slowed sharply and net external demand contributed negatively. Among the major Eurozone economies, Spain remained the strongest performer, with GDP growth of 0.7% in Q3, followed by Italy (0.3%) and then Germany and France (both at 0.2%). GDP growth in the UK slowed from 0.7% in Q2 2016 to 0.6% in Q3, partly in response to uncertainty around its Brexit referendum. More frequent data and confidence indicators suggest growth accelerated in Q4 2016 in a number of countries. The Eurozone economy is projected to have grown by 1.6% and the UK economy by 2.0% in the year as a whole.

Despite stronger momentum going into 2017, Eurozone GDP growth is forecast to be slightly lower in 2017 (1.5%) than in 2016. Political uncertainty - with Article 50 expected to be triggered in Q1 2017 and key elections in the Netherlands, France, Germany and, most likely, Italy during the year - is expected to negatively affect spending by both businesses and households. Growth in public consumption and investment are projected to decelerate, although the contribution from net trade is forecast to be positive. Furthermore, higher oil prices are expected to result in a significant increase in headline inflation which, in the absence of strong employment or wage growth, is projected to weigh on consumer spending. The divergence in growth rates between Eurozone countries is expected to continue. While still low by historical standards, long-term government bond yields are forecast to rise in 2017 and to be trending upwards in a continuation of the pattern seen in the final quarter of 2016.

German economic growth decelerated to a seasonally-adjusted 0.2% quarter-on-quarter in Q3 2016, the weakest quarter for growth since Q3 2015. Growth was mainly driven by domestic demand, although investment stagnated and net trade made a negative contribution. Year-on-year, GDP grew by 1.7% on a seasonally adjusted basis in Q3 2016, on a par with the previous quarter. Looking forward, the German economy should be able to continue to rely on solid private consumption, whereas the weakness of investment is likely to persist. Overall, in an environment subject to growing uncertainties, both political and economic, German firms are likely to remain prudent, potentially impacting on production, inventories and investment.

Investment Manager's Report continued

In 2016, German retail investment volumes amounted to EUR12.8bn, down 21.3% compared to 2015 (similar to the decline experienced across Europe). In the second half of 2016, prime yields in Germany's 10 major retail markets fell further, by an average of 16 basis points. At the end of Q4 2016, the lowest yields were in Munich (3.25%), followed by Berlin (3.40%). Berlin regained its top position for retail occupiers with international brands such as Topshop and Samsøe opening branches. As a consequence Berlin was the only major German market to witness a growth in prime rental values.

Italy's GDP growth accelerated from 0.1% quarter-on-quarter in Q2 2016 to 0.3% in Q3. Growth was driven by investment, whereas growth in household spending and government spending were very modest and net exports contributed negatively following a strong Q2 2016. However, Italy's economy faces some severe headwinds and underlying growth momentum remains weak; our forecast is for GDP growth of 0.9% in 2016 as a whole, followed by 1.0% in 2017. A key uncertainty is the impact of the recent referendum which resulted in Prime Minister Renzi resigning following a larger than expected defeat. While a new caretaker government and prime minister (Paolo Gentiloni, Democratic Party) were swiftly put in place, there is a risk that the government's narrow agenda will negatively affect Italy's growth. Parliamentary elections are expected in mid-2017 once electoral laws for the upper and lower houses have been re-aligned. Italian real estate investment volumes stood at EUR9bn in 2016 as a whole, their highest level since 2007. Prime yield contraction continued in all of the key sectors in 2016 and mostly to record lows albeit the rate of contraction was at a slower pace than in 2015. Investor focus continues to be on the mainstream office and retail sectors with core locations and strong regional shopping centres being favoured.

Asset Management Update

During the period the sale of two assets were completed:

- Dasing was sold in August 2016
- Agnadello was sold in November 2016

Property Portfolio at 31 December 2016

Investment name	Country	Sector	Net yield on valuation[1]	% of total Property portfolio[2]
Rothenburg ob der Tauber	Germany	Retail	8.09%	60.30%
Curno, Bergamo	Italy	Leisure	9.98%	39.70%

[1] Net yield on valuation is Gross rental income over valuation.
[2] Source - external independent valuers to the Company, Knight Frank LLP.

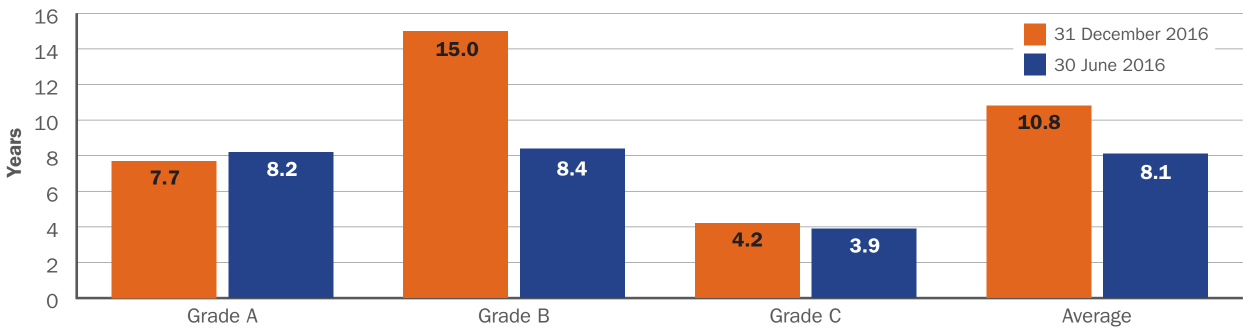
Details of all properties in the portfolio are available on the Company's website **retail.axa-im.co.uk/axa-property-trust** under, *Portfolio - Our Presence.*

Source: AXA Real Estate Investment Managers UK Limited

Covenant Strength Analysis at 31 December 2016 based on rental income

Grade A	46.1%	Creditreform:<199; D&B:A 1
Grade B	45.1%	Creditreform:200-249; D&B:B,C,D 1,2
Grade C	7.4%	Creditreform:>250; D&B: D + 3,4
Vacant	1.4%	

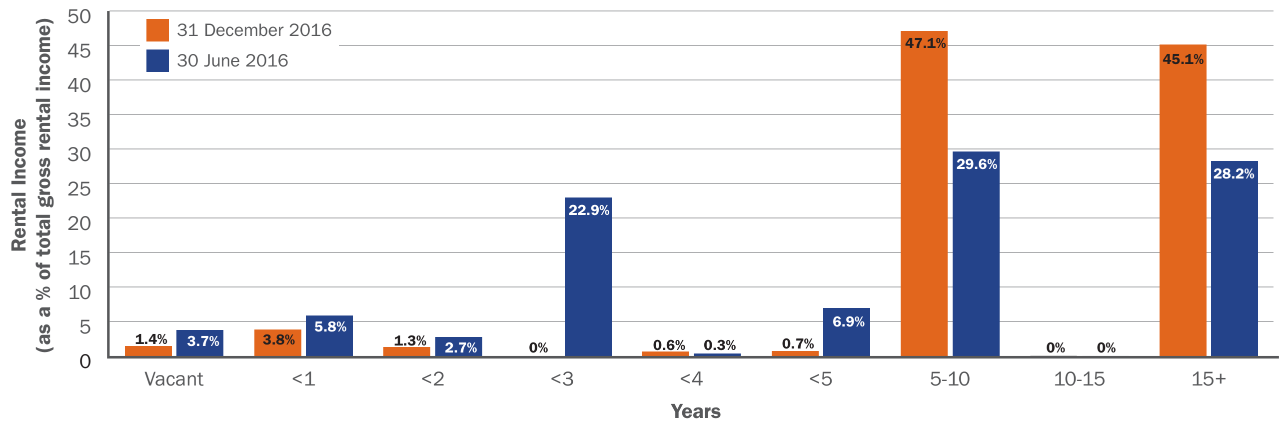
Average Unexpired Lease Length Profile weighted by rental income



The Company's tenant covenant profile is strong, with 46.1% of tenants rated Grade A, indicating a high credit rating score. Rental income from Grade A covenants has a weighted unexpired lease length of 7.7 years. The average rent-weighted unexpired lease length for the investment portfolio as at 31 December 2016 was 10.8 years. Vacant space in the portfolio on 31 December 2016, measured using estimated market rent, represented 1.4% of the total gross rental income.

With the portfolio extending to just two assets as at 31 December the large majority of the Company's exposure is to two tenants, Kaufland and UCI Italia.

Lease Expiry Profile weighted by rental income



Source: AXA Real Estate Investment Managers UK Limited

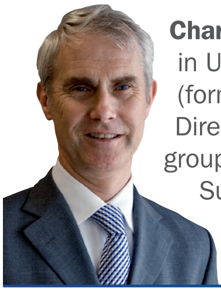
Financing

The bank loan from CA-CIB Crédit Agricole was fully repaid in December 2016 prior to the loan maturity, using sales proceeds from the Agnadello transaction. As at 31 December 2016 the company had no outstanding external loans.

Portfolio Outlook

Following the successful closing of two transactions and the agreement to sell a third asset, the Manager continues to work closely with the Board on all aspects of the strategy for the orderly wind-up of the Company in order to ensure a timely return of capital to Shareholders.

Board of Directors


Charles Hunter, Chairman

Charles Hunter (Chairman) has over 30 years of experience in property investment, principally in UK commercial property. He was Head of Property Investment of Insight Investment (formerly Clerical Medical Investment Group) for some nine years and before that Property Director of the investment management subsidiaries of The National Mutual of Australasia group in the United Kingdom. He is currently a director of Care South and he was on the Supervisory Board of Schroder Exempt Property Unit Trust until its conversion to a PAIF in 2012. Mr Hunter is a Fellow of the Royal Institution of Chartered Surveyors and a member of the Investment Property Forum. He is resident in the United Kingdom.

Stephane Monier has over 20 years of investment experience (including asset allocation, fixed income and foreign exchange). Mr Monier is currently Chief Investment Officer at Lombard Odier Europe SA. He is responsible for the investment process and the performance for private clients' portfolios in Europe. Mr Monier joined the Lombard Odier group in 2009 on the institutional side (Lombard Odier Investment Managers or LOIM). He was initially Global Head of Fixed Income and Currencies for LOIM and then promoted to Deputy Global Chief Investment Officer. Prior to joining LOIM, Mr Monier was Global Head of Fixed Income and Currencies at Fortis Investments from 2006 to 2009 and he also occupied the very same position at the Abu Dhabi Investment Authority from 1998 to 2006. Prior to Abu Dhabi, Mr Monier spent seven years in JP Morgan Investment Management as a Fixed Income Manager both in London and Paris from 1991 to 1998. Mr Monier has a Masters Degree in Science from Agrotech (Paris) and a Masters Degree in International Finance from HEC Graduate School of Business (Jouy en Josas) (France). He is also a CFA charterholder. He is resident in the United Kingdom.


Stephane Monier

Gavin Farrell is qualified as a Solicitor of the Supreme Court of England and Wales, a French Avocat and an Advocate of the Royal Court of Guernsey. He worked for a number of years at Simmons & Simmons in their London and Paris offices, both in the general corporate and financial services/funds departments. He then moved to Guernsey in 1999 where he was called as an Advocate of the Royal Court of Guernsey. Gavin became a partner in 2003 of the corporate department of Ozannes, then Mourant Ozannes. Gavin left Mourant Ozannes in November 2016 to establish its own practice Ferbrache & Farrell. His practice covers general corporate and banking work, funds and the asset management industry. Gavin holds a number of directorships in investment and captive insurance companies. He is a resident of Guernsey and has been ranked as a leading individual in banking, corporate and investment funds by a number of publications as well as having been elected for a number of years as a Top Five Global Offshore Funds Lawyers in Who's Who Private Funds.


Gavin Farrell

Stuart Lawson is a Fellow of the Chartered Association of Certified Accountants. He joined Northern Trust in 1988 working in Fund Administration and Trust client accounting before being appointed Head of Finance for the office in 1996 where he established a Risk Management Department. In 2005 he was appointed Chief Administration Officer for Guernsey with local responsibility for finance, risk, compliance, corporate services and communication, and in 2007 he assumed responsibility for Real Estate and Infrastructure Fund Administration services for the EMEA region. He is currently a product manager for alternative asset services across EMEA region, is a Director of a number of client entities and Chairman of Northern Trust (Guernsey) Limited. He has 30 years of experience in the Financial Services Industry and is resident in Guernsey.


Stuart Lawson

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- the Condensed Half Year Consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting; and
- this Half Year Report provides a fair review of the information required by

a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Condensed Half Year Consolidated Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could materially affect the financial position or performance of the entity.

Signed on behalf of the Board by:

Gavin Farrell
Director
21 March 2017

Stuart Lawson
Director
21 March 2017

Condensed Half Year Consolidated Income Statement

For the six months ended 31 December 2016 (unaudited)

	Notes	Six month period ended 31 December 2016 £000s	Six month period ended 31 December 2015 £000s
Gross rental income	3	1,397	2,392
Service charge income		142	283
Property operating expenses		(153)	(755)
Net rental and related income		**1,386**	**1,920**
Valuation (loss)/gain on investment properties	6	(677)	1,318
(Loss)/Gain on disposals of a subsidiary and investment properties		(646)	1,058
Impairment gain		-	37
General and administrative expenses	4	(406)	(2,380)
Operating (loss)/profit		**(343)**	**1,953**
Net foreign exchange gain/(loss)		285	(326)
Net gain on financial instruments	12	63	403
Share in profit/(losses) of a joint venture	8	50	(311)
Net finance cost		(186)	(519)
(Loss)/profit before tax		**(131)**	**1,200**
Income tax (expense)/gain		(204)	109
(Loss)/profit for the period		**(335)**	**1,309**
Basic and diluted (loss)/profit per ordinary share (pence)		(0.58)	1.65

The accompanying notes on pages 17 to 24 form an integral part of these Condensed Half Year Financial Statements.

Condensed Half Year Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2016 (unaudited)

	Six month period ended 31 December 2016 £000s	Six month period ended 31 December 2015 £000s
(Loss)/Profit for the period	(335)	1,309
Other comprehensive income		
Hedging reserve recycled to profit or loss	-	527
Foreign exchange translation gain	**1,330**	**1,136**
Total items that are or may be reclassified to profit or loss	**1,330**	**1,663**
Total comprehensive profit for the period	**995**	**2,972**

The accompanying notes on pages 17 to 24 form an integral part of these Condensed Half Year Financial Statements.

Condensed Half Year Consolidated Statement of Changes in Equity

For the six months ended 31 December 2016 (unaudited)

	Hedging reserve £000s	Revenue reserve £000s	Distributable reserve £000s	Foreign currency reserve £000s	Total £000s
Balance at 1 July 2016	**-**	**(40,489)**	**68,856**	**10,327**	**38,694**
Loss for the period	-	(335)	-	-	(335)
Other comprehensive income	-	-	-	1,330	1,330
Total comprehensive income for the period	-	(335)	-	1,330	995
Balance at 31 December 2016	**-**	**(40,824)**	**68,856**	**11,657**	**39,689**

For the six month ended 31 December 2015 (unaudited)

	Hedging reserve £000s	Revenue reserve £000s	Distributable reserve £000s	Foreign currency reserve £000s	Total £000s
Balance at 1 July 2015	**(762)**	**(41,898)**	**85,049**	**6,978**	**49,367**
Share redemptions	-	-	(5,197)	-	(5,197)
Profit for the period	-	1,309	-	-	1,309
Other comprehensive income	527	-	-	1,136	1,663
Total comprehensive income for the period	527	1,309	-	1,136	2,972
Balance at 31 December 2015	**(235)**	**(40,589)**	**79,852**	**8,114**	**47,142**

The accompanying notes on pages 17 to 24 form an integral part of these Condensed Half Year Financial Statements.

Condensed Half Year Consolidated Statement of Financial Position

As at 31 December 2016 (unaudited)

	Notes	31 December 2016 £000s	30 June 2016 £000s
Non-current assets			
Investment properties	6	12,415	30,832
Deferred tax assets		66	-
Current assets			
Cash and cash equivalents		9,961	8,806
Trade and other receivables	9	3,062	1,492
Investment properties held for sale	6/7	18,853	6,191
Investment in joint venture held for sale	8	2,001	10,274
Total assets		**46,358**	**57,595**
Current liabilities			
Trade and other payables	10	5,453	2,213
Short term loans	11	-	14,907
Non-current liabilities			
Deferred tax liability		330	351
Provisions		886	1,253
Long-term loans		-	111
Derivative financial instruments		-	66
Total liabilities		**6,669**	**18,901**
Net assets		**39,689**	**38,694**
Share capital		-	-
Reserves		39,689	38,694
Total equity		**39,689**	**38,694**
Number of ordinary shares		57,577,470	57,577,470
Net asset value per ordinary share (pence)		**68.93**	**67.20**

The accompanying notes on pages 17 to 24 form an integral part of these Condensed Half Year Financial Statements.

By order of the Board

Gavin Farrell
Director
21 March 2017

Stuart Lawson
Director
21 March 2017

Condensed Half Year Consolidated Statement of Cash Flow

For the six months ended 31 December 2016 (unaudited)

	Notes	Six month period ended 31 December 2016 £000s	Year ended 31 December 2015 £000s
Operating activities			
(Loss)/profit before tax		(131)	1,200
Adjustments for:			
Loss/(Gain) on valuation and disposals of a subsidiary and investment properties	6	1,323	(2,376)
Shares in (profits)/losses of joint-venture	8	(50)	311
Gain on financial instruments	12	(63)	(403)
Increase in trade and other receivables	9	(273)	(1,013)
(Decrease)/Increase in provisions		(367)	537
Increase in trade and other payables	10	3,584	(432)
Net finance cost		186	519
Net foreign exchange gains		(285)	326
Net cash generated from operations		**3,924**	**(1,331)**
Interest income received		97	132
Interest paid		(382)	(696)
Tax (paid)/received		(1,256)	370
Net cash inflow from operating activities		**2,383**	**(1,525)**
Investing activities			
Investment in joint-ventures	8	8,383	-
Proceeds from disposals of a subsidiary and investment properties	6	7,450	29,938
Net cash inflow from investing activities		**15,833**	**29,938**
Financing activities			
Redemption of shares		-	(5,197)
Bank loan facility repaid	11	(14,907)	(9,666)
Net cash used in financing activities		**(14,907)**	**(14,863)**
Effects of exchange rate fluctuations		(2,154)	(85)
Increase in cash and cash equivalents		**1,155**	**13,465**
Cash and cash equivalents at start of the year		8,806	8,078
Cash and cash equivalents at the period end		**9,961**	**21,543**

The accompanying notes on pages 17 to 24 form an integral part of these Condensed Half Year Financial Statements.

Notes to the Condensed Half Year Consolidated Financial Statements

For the period ended 31 December 2016

1. Operations

AXA Property Trust Limited (the "Company") is a limited liability, closed-ended investment company incorporated in Guernsey. The Company invests in commercial properties in Europe which are held through its subsidiaries. The Condensed Half Year Consolidated Financial Statements of the Company for six month ended 31 December 2016 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group").

2. Significant accounting policies

(a) Statement of compliance
The Condensed Half Year Consolidated Financial Statements have been prepared in accordance with the Disclosure Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim Financial Reporting'. They do not include all the information required for the full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2016, which were prepared under full International Financial Reporting Standard ("IFRS") requirements as issued by the International Accounting Standards Board.

(b) Basis of preparation
The same accounting policies and methods of computation have been applied to the Condensed Half Year Consolidated Financial Statements as in the Annual Report and Consolidated Financial Statements for the year ended 30 June 2016. The presentation of the Condensed Half Year consolidated Financial Statements is consistent with the Annual Report and Consolidated Financial Statements.

(c) Determination and presentation of operating segements
The Board has considered the requirements of IFRS 8, 'Operating Segments'. The Board is of the view that the Company is engaged in a single segment of business, being investment in properties in Europe. Geographic and Sector analyses of the segment are included in the Investment Manager's Report on page 7. The conclusion remains unchanged from the consolidated financial statements for the year ended 30 June 2016.

(d) Going concern
The discount control provisions established when the Company was launched required a continuation vote to be proposed to Shareholders at the Company's Annual General Meeting in 2015. As a result of the large discount to Net Asset Value at which shares were trading there was little chance of raising new capital. After extensive shareholder consultation, the Board resolved not to seek continuation of the Company in 2015 and proposed to Shareholders that the Company enter into a managed wind-down. This proposal was approved at an EGM held on 26 April 2013.

The Condensed Half Year Consolidated Financial Statements have been prepared on a non-going concern basis reflecting the orderly wind-down of the Group. Accordingly, the going concern basis of accounting is not considered appropriate. All assets and liabilities continue to be measured in accordance with IFRS. The Board recognises that the timely disposal of properties is uncertain and continues to keep under review the most appropriate course of action with regard to these assets

Notes to the Consolidated Financial Statements
continued

over the coming months with the aim of maximising shareholder return whilst taking account of the target exit date of December 2015. As at December 2016 the completion of all sales is foreseen in the course of 2017.

The Directors estimate that the wind-down costs will be approximately £204,247 (30 June 2016: £206,418). The Board believes that the Group has sufficient funds available to meet its wind-down costs and day-to-day running costs.

3. Gross rental income

Gross rental income for the six months ended 31 December 2016 amounted to £1.40 million (31 December 2015: £2.39 million). The Group leases out all of its investment property under operating leases which are usually structured in accordance with local practices in Germany and Italy. All leases benefit from indexation.

Minimum Lease Payments (based on leases in place as at 31 December 2016)

	31 December 2016 £000s	30 June 2016 £000s
0-1 year	3,209	3,706
1-5 years	12,220	11,105
5+ years	19,345	15,625

4. General and administrative expenses

	Six month period ended 31 December 2016 £000s	Six month period ended 31 December 2015 £000s
Administration fees	(99)	(136)
General expenses	(146)	(605)
Audit fees	(89)	(86)
Legal and professional fees	(145)	(78)
Director's fees	(41)	(45)
Insurance fees	(30)	(18)
Liquidation costs	2	(59)
Sponsor's and Brokers' fees	(13)	(639)
Investment management fees	(57)	(235)
Performance fee	212	(479)
Total	**(406)**	**(2,380)**

5. Share capital redemptions

Cumulated capital return to shareholders reaches £24.1 million as at 31 December 2016. No additional capital redemption took place during the period.

6. Investment properties

	31 December 2016 £000s	30 June 2016 £000s
Fair value of investment properties at beginning of the period/year	**30,832**	**58,778**
Opening fair value of assets sold during the year	-	(28,020)
Fair value adjustments	(677)	797
Foreign exchange translation	1,113	5,468
Fair value of investment properties at the end of the period/year	**31,268**	**37,023**
Investment properties classified held for sale	(18,853)	(6,191)
Total investment properties	**12,415**	**30,832**

All investment properties are carried at fair value.

7. Investment properties held for sale

As at 31 December 2016, the Rothenburg property is classified as held for sale (30 June 2016: Dasing property). On 25 August 2016, the Dasing property was sold through an asset deal for a sale price of £7.45 million.

8. Investment in joint ventures held for sale

The Group holds a 50% joint venture interest in the equity of the Italian joint venture Property Trust Agnadello S.r.l. which was holding a logistics warehouse in Agnadello, Italy. On 15 November 2016, Property Trust Agnadello S.r.l. completed the sale of its asset for a total sale price of £23.2 million.

The Group's interest in Property Trust Agnadello S.r.l. is accounted for using the equity method in the consolidated financial statements, which approximates the lower of its carrying amount and its fair value less cost to sell.

Notes to the Consolidated Financial Statements
continued

The following table summarises the financial information of Property Trust Agnadello S.r.l. which also reconciles the summarised financial information to the carrying amount of the Group's interest in the joint venture:

Summarised Consolidated Statement of Financial Position

	31 December 2016 £000s	30 June 2016 £000s
Current assets	4,205	20,965
Current liabilities	(204)	(17,183)
Net assets (100%)	**4,001**	**3,782**
Group's share of net assets (in percent)	50%	50%
Group's share of net assets	**2,001**	**1,891**
Loan balances due to joint-venture partners	-	8,383
Carrying amount of interest in joint-venture	**2,001**	**10,274**

Summarised Consolidated Income Statement

	Six month period ended 31 December 2016 £000s	Six month period ended 31 December 2015 £000s
Net rental and related income	633	699
Valuation profit/(loss) on investment property	(506)	(864)
Total administrative and other expenses	(184)	(79)
Other income	234	-
Financial expenses	(192)	(238)
Profit/(loss) before tax	(15)	(482)
Income tax gain/(expense)	115	(140)
Profit/(loss) for the period	100	(622)
Group's share of profit/(loss) for the period	**50**	**(311)**

Summarised Consolidated Statement of Comprehensive Income

	Six month period ended 31 December 2016 £000s	30 June 2016 £000s
Profit/(loss) for the period	100	(622)
Total comprehensive income/(loss) for the period	100	(622)
Group's share of comprehensive income/(loss) for the period	**50**	**(311)**

9. Trade and other receivables

	31 December 2016 £000s	30 June 2016 £000s
Tax receivable (witholding, corporate and income)	1,664	367
Investment property sold receivable	-	282
Other receivable	515	347
VAT receivable	484	24
Management fee receivable		156
Rent and service charges receivables	379	116
Accrued income	-	129
Prepayments	20	71
Total	**3,062**	**1,492**

The carrying values of trade and other receivables are considered to be approximately equal to their fair value. Rent receivable is non-interest bearing and typically due within 30 days.

10. Trade and other payables

	31 December 2016 £000s	30 June 2016 £000s
Investment manager's fee	91	165
Property manager's fee	-	37
Tax payable (income, transfer, capital and other)	643	888
Interest payable on loan facility	-	99
Legal and professional fees	80	93
VAT payable	1,776	13
Audit fee	96	170
Administration and Company Secretarial fees	76	79
Rent prepaid	271	9
Advance received on the sale of the Rothenburg property	1,885	-
Other	535	660
Total	**5,453**	**2,213**

The carrying values of trade and other payables are considered to be approximately equal to their fair value. Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

Notes to the Consolidated Financial Statements
continued

11. Short-term loans

The main loan facility was with Crédit Agricole Corporate and Investment Bank (“Crédit Agricole”) and Crédit Foncier de France (“Crédit Foncier”). The main loan facility maturity was on 31 December 2016.

As at 31 December 2016, this loan has been fully repaid using the proceeds from the asset sales performed during the period (30 June 2016: €17.96 million (£14.9 million) before capitalised debt issue costs).

12. Financial risk management

The table below summarises the amounts recognised in the Consolidated Income Statement in relation to derivative financial instruments.

	Six month period ended 31 December 2016 £000s	Six month period ended 31 December 2015 £000s
Hedging reserve recycled to consolidated income statement	-	527
Current year fair value movement of ineffective hedges	63	(124)
Total gain recognised in the Consolidated Income Statement	**63**	**403**

The Group is exposed to various types of risk that are associated with financial instruments. The Group's financial instruments comprise cash, receivables and payables that arise directly from its operations. The carrying value of financial assets and liabilities approximate the fair value.

The main risks arising from the Group's financial instruments are market risk, credit risk, liquidity risk, interest risk and currency risk. The Board review and agree policies for managing its risk exposure. These policies are summarised below.

Market price risk
Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date. Rental income and the market value for properties are generally affected by overall conditions in the local economy, such as growth in Gross Domestic Product (“GDP”), employment trends, inflation and changes in interest rates. Changes in GDP may also impact employment levels, which in turn may impact the demand for premises. Furthermore, movements in interest rates may affect the cost of financing for real estate companies.

Both rental income and property values may be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or the insolvency of tenants, the periodic need to renovate, repair and release space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. The Investment Manager addresses market risk through a selective investment process, credit evaluations of tenants, ongoing monitoring of tenants and through effective management of the properties.

Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The Group's and Company's exposure and the credit-ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-ratings agencies.

Cash and cash equivalents and trade and other receivables presented in the Consolidated Statement of Financial Position are subject to credit risk with maturities within one year.

Liquidity risk
Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet financial commitments in a reasonable timeframe or at a reasonable price.

The Group invests the majority of its assets in investment properties which are relatively illiquid, however, the Group has mitigated this risk by investing in desirable properties in strong locations. The Group prepares forecasts in advance which enables the Group's operating cash flow requirements to be anticipated and ensures that sufficient liquidity is available to meet foreseeable needs and to invest any surplus cash assets safely and profitably. The Group also monitors the cash position in all subsidiaries to ensure that any working capital needs are addressed as early as possible.

The Company has continued to suspend the payment of dividends to prudently manage cash during the wind-down phase.

Interest rate risk
Floating rate financial assets comprise the cash balances which bear interest at rates based on bank base rates. The Group was exposed to cash flow risk as the Group borrowed funds under the loan facility with Crédit Agricole and Crédit Foncier at floating interest rates.

As at 31 December 2016, as the loan facility has been fully repaid, the Group is no longer subject to this risk.

Foreign currency risk
The European subsidiaries will invest in properties using currencies other than Sterling, the Company's functional and presentational currency, and the Consolidated Statement of Financial Position may be significantly affected by movements in the exchange rates of such currencies against Sterling. The Group reviews and manage currency exposure in accordance with its hedging strategy.

Notes to the Consolidated Financial Statements
continued

13. Related party transactions

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Group's activities including the review of investment activity and performance.

Mr Hunter, Chairman of the Company formed the majority of the Directors of its subsidiaries, Property Trust Luxembourg 1 S.à r.l., Property Trust Luxembourg 2 S.à r.l. and Property Trust Luxembourg 3 S.à r.l. and were able to control the investment policy of the Luxembourg subsidiaries to ensure it conforms with the investment policy of the Company until Mr Spaninks resignation from the Boards of Property Trust Luxembourg 1 S.à r.l., Property Trust Luxembourg 2 S.à r.l. and Property Trust Luxembourg 3 S.à r.l. on 11 October 2013.

Mr Farrell, a Director of the Company, was also a Partner in Mourant Ozannes, the Guernsey legal advisers to the Company. The total charge to the Consolidated Income Statement during the period in respect of Mourant Ozannes legal fees was nil (2015: nil).

Mr Lawson, a Director of the Company, was a Director of the Administrator and Secretary, Northern Trust International Fund Administration Services (Guernsey) Limited until 13 December 2013, when Mr Lawson became a Director of Northern Trust (Guernsey) Limited, the Company's bankers and member of the same group as the Administrator and Secretary. The total charge to the Consolidated Income Statement during the year in respect of Northern Trust administration fees was £72,500 (31 December 2015: £72,500) of which nil (31 December 2015: nil) remained payable at the year end.

Under the Investment Management Agreement, fees are payable to the Investment Manager, Real Estate Adviser and other entities within the AXA Group. These entities are involved in the planning and direction of the Company and Group, as well as controlling aspects of their day to day activity, subject to the overall supervision of the Directors. During the period, fees of £0.02 million (31 December 2015: £0.24 million) were expensed to the Consolidated Income Statement. Following the asset disposal, transaction fees of 35 bps on the gross sales price were expensed; totalling £0.03 million and on all sales (31 December 2015: £0.14 million). During the period, the provision for the performance fee was reversed by £0.21 million. The amount had been provided under the terms of the Investment Management Agreement.

All the above transactions were undertaken at arm's-length.

14. Commitments

As at 31 December 2016, the Company has no commitment.

15. Subsequent events

In January 2017, the disposal of the Rothenburg property was completed and the remaining funds were received.

On 3 February 2017 the company announced a distribution of £18.4 million to its shareholder by way of capital redemption. The Redemption date is 17 February 2017 so that the total capital returned to shareholders on the 17 February 2017 will be £42.4 million.

Corporate Information

Directors (All non-executive)
C. J. Hunter (Chairman)
G. J. Farrell
S. C. Monier
S. J. Lawson
A. Spaninks (resigned 31/10/2016)

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