

Threadneedle POOLED PENSION FUNDS

KEY FEATURES DOCUMENT ('KFD')

Effective date: August 2024

This is an important document which you should read and keep in a safe place

Contents

1. ITS AIM	3
2. YOUR INVESTMENT	4
3. RISK FACTORS	4
4. QUESTIONS AND ANSWERS.....	9
5. OTHER INFORMATION	12
6. HOW TO CONTACT US.....	15
7. ABOUT COLUMBIA THREADNEEDLE INVESTMENTS	15
ANNEX 1	16
ANNEX 2	21
ANNEX 3	21

Helping you decide

WHAT YOU SHOULD KNOW BEFORE YOU INVEST

WHAT ARE KEY FEATURES?

The Financial Conduct Authority and Prudential Regulation Authority are the UK's independent financial services regulators. They require us, Threadneedle Pensions Limited ('TPEN'), to give you this important information to help you to decide whether our Threadneedle Pooled Pension Funds are right for you.

You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

WHAT IS THE PURPOSE OF THIS DOCUMENT?

To give you a summary of information to help you decide if you want to invest in one or more of the funds in the Threadneedle Pooled Pension Fund range.

WHAT QUESTIONS SHOULD I ASK BEFORE I INVEST?

In this document we have given you the answers to several very important questions for the fund range. These are set out on pages 8 to 11 and will help you decide where to invest.

WHO IS THIS INFORMATION INTENDED FOR?

This information is intended for eligible institutional clients, pension trustees contemplating inclusion of a TPEN fund in their pension scheme, and operators of CoACS for pension schemes contemplating inclusion of a TPEN fund in the CoACS. Scheme members should seek additional information from their scheme provider.

**CoACS is an authorised contractual scheme (as defined in Section 237(3) of FSMA) which is a co-ownership scheme (as defined in Section 235(A)(2) of FSMA).*

INFORMATION ABOUT THE FIRM

Threadneedle Pensions Limited

Cannon Place

78 Cannon Street

London

EC4N 6AG

United Kingdom

Registered in England and Wales, No. 984167. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

1. ITS AIM

The Threadneedle Pooled Pension Fund range aims:

- To give you the opportunity to make an investment for as long as you choose, with the aim to achieve the fund(s) investment objective.
- To allow you to invest in a wide range of funds with the flexibility to switch between these funds.

When you invest in a pooled pension product, the asset you receive in return for your investment is a unit-linked policy, which is a type of insurance policy used for investment. This is not the same as investing directly in a fund like a UCITS open-ended investment company.

The funds may invest directly in securities and property or indirectly through other funds.

The funds may from time to time contain uninvested cash for operational reasons including, for example, a minimum investment amount or deal size for the assets to be acquired by the fund or for settlement delays or mismatches.

Each fund in the range has a specific objective as listed below. Where a fund invests in a fund managed by Columbia Threadneedle Investments this means an investment in a regulated collective investment scheme managed, operated, or advised by Threadneedle Investment Services Limited (or any company within the Group* of which it is a member).

**Group means any direct or indirect subsidiary of Ameriprise Financial Inc.*

Subject to three months' notice being given:

- TPEN may change the investment objectives of a fund.
- It may wind-up, merge or discontinue the issuance of units of a fund.

FUND INVESTMENT OBJECTIVES

Multi Asset Fund

To invest the assets of the fund in a portfolio of directly held securities and indirectly through funds managed by Columbia Threadneedle Investments group. It may also hold funds managed by companies outside the Columbia Threadneedle Investments group. The portfolio may include exposure to equities, fixed income, commodities, property, absolute return and long-short strategies, other alternative asset classes and cash. It aims to achieve total returns equivalent to cash plus 4% per annum, gross of fees, over the economic cycle (expected to be 5-7 years).

EQUITY FUNDS

Global Select Fund

To invest the assets of the fund primarily in a portfolio of directly held global equities. It may also invest in funds managed by Columbia Threadneedle Investments and by companies outside the Columbia

Threadneedle Investments group. It aims to achieve total returns that are 3% or more per annum above its benchmark, gross of fees, over rolling 3-year periods.

UK Equity High Alpha Fund

To invest the assets of the fund primarily in UK equities. It aims to achieve total returns that are 3.5% or more per annum above its benchmark, gross of fees, over rolling 3-year periods.

FIXED INCOME FUNDS

Index-Linked Bond Fund

To invest primarily in UK index-linked bonds, indirectly through a fund managed by Columbia Threadneedle Investments. It aims to achieve total returns that are in excess of its benchmark, gross of fees, over rolling 3-year periods.

Corporate Bond Fund

To invest primarily in sterling non-gilt bonds. It aims to achieve total returns that are 0.75% per annum above its benchmark, gross of fees, over rolling 3-year periods.

DEPOSIT FUNDS

Sterling Fund

To achieve an investment return similar to that of sterling cash deposits from investment in cash deposits; certificates of deposit; commercial paper and UK government issued treasury bills, indirectly through a fund managed by Columbia Threadneedle Investments. It aims to achieve capital security but this is not guaranteed.

PROPERTY FUNDS

Property Fund

To invest primarily in direct UK commercial property. It aims to generate total returns (from income and capital appreciation) and outperform its benchmark, over rolling 3-year periods, after the deduction of charges.

It also aims to deliver positive environmental or social outcomes, in accordance with the Real Estate Responsible Investment Policy Statement.

Reporting

TPEN publishes reports regularly on the Fund's financial and responsible investment performance. These reports allow policyholders to track the progress of the Fund against its investment objectives. These reports are published on the Columbia Threadneedle Investments website.

DERIVATIVES

Use of Derivatives

Where considered appropriate, TPEN funds may invest in derivatives and forward transactions. Generally, investments in such instruments will only be made for the purpose of Efficient Portfolio Management ('EPM') and hedging, that is, to enable the fund to take the most cost-effective method for reducing risk; cost or implementing the fund managers' investment strategy. However, for the Multi Asset Fund, and also where a TPEN fund invests indirectly through a fund or a portfolio of funds, derivatives will be used for investment purposes. For further disclosure,

please refer to the following fund specific risks in section 3; Investment in derivatives, Leverage risk and Short Selling risk.

SEGREGATED LIABILITY

The assets of each Fund belong to TPEN. Each Fund is linked to a portfolio of assets. Where required to govern over-the-counter (OTC) derivatives transactions, a Fund will enter into separate International Swaps and Derivatives Association, Inc. (ISDA) Master Agreements in respect of that Fund with the aim of ensuring that there is no contractual set-off of liabilities for counterparties between the assets of each Fund and the other TPEN Funds under such agreements.

TPEN Funds – Benchmarks and Performance Targets

Fund Name	Fund Benchmark	What you might get back*
Multi Asset Fund	UK Bank of England Base Rate	To outperform the benchmark by 4% per annum gross of fees, over the economic cycle (expected to be 5-7 years).
Global Select Fund	MSCI ACWI	To outperform the benchmark by 3% or more per annum gross of fees, over rolling 3-year periods.
UK Equity High Alpha Fund	FTSE All Share Index	To outperform the benchmark by 3.5% or more per annum gross of fees, over rolling 3-year periods.
Index-Linked Bond Fund	FTSE UK Gilts Index Linked Government All Stocks Index	To outperform the benchmark gross of fees, over rolling 3-year periods.
Corporate Bond Fund	iBoxx £ Non-Gilts Index	To outperform the benchmark by 0.75% or more per annum gross of fees, over rolling 3-year periods.
Sterling Fund	1-month compounded SONIA	To achieve an investment return similar to that of cash deposits.
Property Fund	MSCI/AREF UK All Balanced Quarterly Property Fund Index (Weighted Average)	To outperform the benchmark over rolling 3-year periods.

2. YOUR INVESTMENT

Threadneedle Pensions Limited (TPEN) carries on insurance business, and is considered an insurance undertaking, under FCA rules.

Investment is made by way of purchasing a Threadneedle Pensions Limited (TPEN) policy, an insurance contract between you and TPEN. The terms and conditions of the contract are set out in the policy document, the key features of which are set out below.

There is currently no minimum investment, although TPEN may impose one at its discretion.

New investments may be made at any time, including on a regular basis, and a minimum may apply in certain circumstances. The units you purchase are allocated to your Policy and held by TPEN in your name.

It is possible to switch investments between funds with the provision of suitably authorised written instructions.

TPEN does not provide personal investment recommendations, and except for the Property Fund (which is considered a "complex" product under FCA rules) TPEN will not undertake any assessment about whether its funds are appropriate for you. This means that you will not benefit from the protection afforded by the FCA rules on assessing appropriateness, in respect of those funds.

You should consider an investment in the fund(s) as a medium to long-term investment and understand the risks shown in the following 'Risk Factors' section.

You might also find the Question and Answers in Section 4 helpful.

3. RISK FACTORS

You should consider the following risk factors before investing.

THREADNEEDLE PENSIONS LIMITED (TPEN) SPECIFIC RISKS

Claims against TPEN

The Policy is a right against TPEN, the firm, only. Therefore, investors do not have any beneficial interest in the underlying investment, but instead have a right to a performance linked benefit.

Depending on your investor type, you may be protected by the Financial Services Compensation Scheme (FSCS).

Investors directly investing in the funds through TPEN may be entitled to FSCS protection if TPEN is unable to meet its obligations. Please note: TPEN and other insurance companies are not themselves eligible claimants under the FSCS regime. Accordingly, if a fund TPEN invests in fails, investors may not be able to claim from the FSCS

(as TPEN itself has not failed). Similarly, if investors access TPEN's products via another insurer's platform, that insurer would not be eligible for protection from FSCS if TPEN failed, whereas direct TPEN investors would. TPEN does not underwrite the performance of third party funds invested in by TPEN funds, much like TPEN does not underwrite the performance of other investments, e.g. shares in the companies it buys for the equity funds.

For additional information please see the "Compensation" section on page 19.

Solvency and Financial Condition Report

Publishing a Solvency and Financial Condition Report (SFCR) is a regulatory requirement.

The SFCR is published annually and provides details of TPEN's solvency position, the governance processes we have in place to mitigate risks and our capital management strategies. A copy of the SFCR is available on request from our client services team.

GENERAL RISKS APPLICABLE TO ALL FUNDS IN THIS RANGE

1. Investment Risk

The value of investments in the funds is subject to market fluctuations. Values can fall as well as rise. There can be no assurance that any appreciation in value of investments will occur and investors might not get back the sum originally invested. Furthermore, past performance is not indicative of future performance.

2. Valuation Point

The funds are forward priced each day. Any market movements between the time that an investor places a deal and the next calculation of the fund price will affect the number of units purchased or the sum received on redemption.

3. Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to deal in Units (including allocations, switches and realisations of Units) may be suspended (see under 'Suspension of dealings/imposing dealing limits' in the section 'Questions and Answers').

4. Hedging Risk

Derivatives and forward transactions may be used to hedge losses, but they may also offset gains. There is no guarantee that a hedging strategy will work as intended, and a hedging strategy may even unintentionally increase risk.

5. Investment Objective

There is no assurance that any fund will achieve its objective. The investment strategy employed to achieve a fund's objective may change over time.

6. Investment Policy

Investors should ensure that they are aware of the risks involved in all potential investments allowed by the policy, including those that are not immediately suggested by its name.

7. Custodian Risk

The assets of a fund are held in safekeeping with custodians worldwide. In the event of a custodian becoming insolvent, there may be a risk that the assets are not immediately available, or even at risk.

8. No Capital Guarantee

Positive returns are not guaranteed and no form of capital protection applies.

9. Counterparty Risk

The funds may enter into financial transactions with selected counterparties. Any financial difficulties arising at these counterparties could significantly affect the availability and the value of a fund's assets.

10. Legal, Tax and Regulatory Risk

The performance of the funds may be adversely affected by changes in legal, tax or regulatory requirements affecting them, or their investments.

11. Non-market Exposure

Where funds hold significant levels of cash, this should help to protect capital in a falling market but will limit gains if markets rise. It may not be possible to invest large subscriptions quickly, increasing the proportion of assets held in cash.

12. Derivatives for EPM & Hedging

The investment policy of each fund allows the use of derivatives for the purposes of reducing risk or minimising the cost of transactions. Such derivative transactions may benefit or negatively affect the performance of the fund.

13. Fund Liquidity Risk

Dealings in a fund may be limited due to issues of capacity or deferred due to high redemption levels.

14. Investor Concentration Risk

A fund with high investor concentration may have compounded market and funding liquidity risks.

15. Valuation Risk

The fund's assets may sometimes be difficult to value objectively, and the actual value may not be recognised until assets are sold.

16. Inflation Risk

Inflation risk is the uncertainty over the future real value (after inflation) of an investment. Inflation rates may change due to shifts in the domestic or global economy, and a portfolio's investments may not keep pace with inflation.

FUND SPECIFIC RISKS

The fund specific risks are deemed more likely to apply to specific funds in the range. However, in exceptional circumstances, these risks could impact other funds as well. To see which funds are most likely to be affected by these risks, please refer to the Risk Matrix Table on page 7.

17. Investment in Funds

The Investment Policy allows the fund to invest principally in units of other collective investment schemes or TPEN Funds. Investors should consider the investment policy and asset composition in the underlying funds when assessing their portfolio exposure. Additionally, cash flowing through the tiers of the fund structure may mean that the performance does not exactly replicate the composite performance of the underlying funds.

Please also refer to the "Use of Derivatives" section on page 3.

18. Currency Risk

The TPEN fund range has been designed for investors whose reference currency is GBP/Sterling.

Where investments in the fund are in currencies other than GBP/Sterling, changes in exchange rates may affect the value of your investment.

19. Issuer Risk

The fund invests in securities whose value would be significantly affected if the issuer either refused to pay or was unable to pay or perceived to be unable to pay.

20. Political and Financial Risk

The fund invests in markets where economic and regulatory risk can be significant. These factors can affect liquidity, settlement and asset values. Any such event can have a negative effect on the value of your investment.

21. Settlement Risk

Delays in settlement could result in temporary periods when a portion of the assets is not invested and no return is earned thereon or the fund could miss attractive investment opportunities. Inability to dispose of securities due to settlement problems could result either in losses due to subsequent declines in value of the portfolio security or, if the fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

22. Liquidity Risk

The fund may hold assets that are not always readily saleable without suffering a discount to fair value. The fund may have to lower the selling price, sell other investments or forego another, more appealing investment opportunity. In such circumstances, an investor may suffer a delay in realising his investment.

23. Effect of Portfolio Concentration

The fund has a concentrated portfolio (holds a limited number of investments and/or takes large positions in a relatively small number of securities) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the fund's value.

24. Interest Rate Risk

Changes in interest rates are likely to affect the fund's value. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

25. Volatility Risk

The fund may exhibit significant price volatility.

26. High Volatility Risk

The fund typically carries a risk of high volatility due to its portfolio composition or the portfolio management techniques used. This means that the fund's value is likely to fall and rise more frequently and this could be more pronounced than with other funds.

27. Investment in Deposits

The Investment Policy of the fund allows it to invest principally in deposits.

28. Fair Value Pricing Impact

Fair value pricing may lead to the fund price being adjusted in reaction to events that occur when markets are closed. This may lead to an increased variance relative to market- close prices.

29. Property Liquidity Risk

It may be difficult or impossible to realise assets of the Fund because the underlying property concerned may not be readily saleable.

30. Property Valuation Risk

The value of a property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold. Should the Standing Independent Valuer express material uncertainty regarding the value of one or more immovables under management and that material uncertainty applies to 20% or more of the value of the fund, it may be necessary to temporarily suspend dealing.

31. Property Market Risk

The performance of the fund would be adversely affected by a downturn in the Property market in terms of capital value or a weakening of rental yields.

32. Development Risk

The fund may invest in property developments. This includes risks relating to the availability and timely receipt of planning and other regulatory approvals, and the cost and timely completion of construction. These risks could cause delays, additional expenses, or prevent completion of a development, which may adversely impact investment returns.

33. Uninsured Losses

Insurance is taken out with respect to immovable property investments, however, there is no guarantee that the insurance will be payable in full, or at all, in any given circumstances.

34. Property Liquidity Management

Due to the illiquid nature of property and the time it can take to buy or sell assets, under normal circumstances up to 15% of the fund may be held in cash deposits.

High levels of cash may also be held by the fund in anticipation of unusually large redemption requests, or if property investment opportunities are limited. Holding high levels of cash has an impact on the performance of the fund and its distributable income until it is invested in property assets.

If a significant number of investors withdraw their investment at the same time, the fund manager of the fund may consider it necessary to dispose of property investments to generate additional cash.

In difficult market conditions, it can take longer to sell properties, and some properties may be sold for less than expected. The right to redeem units in the fund will be suspended if there is insufficient cash available to satisfy sale requests, or could become necessary to balance the interests of continuing investors with those seeking to redeem.

35. Investment in Derivatives

The Investment Policy of the fund allows it to invest materially in derivatives.

36. Leverage Risk

Leverage amplifies the effect that a change in the price of an investment has on the fund's value. As such, leverage can enhance returns to investors but can also increase losses, including losses in excess of the amount invested.

37. Short Selling Risk

Short selling intends to make a profit from falling prices. However, if the value of the underlying investment increases, the value of the short position will decrease. The potential losses are unlimited as the prices of the underlying investments can increase very significantly in a short space of time.

38. China-Hong Kong Stock Connect

The fund may invest through the China-Hong Kong Stock Connect programmes which have significant operational constraints including quota limits and are subject to regulatory change and increased counterparty risk.

39. Sustainability Risk Integration

For all funds, the Investment Manager considers sustainability risk when assessing the suitability of securities for investment, and such risks are monitored on an ongoing basis. Sustainability risk is defined as being an environmental, social or governance event or condition that, if it occurs, could cause a material negative impact on the value of an investment. Please refer to Annex 2 for the disclosures describe how Columbia Threadneedle's responsible investment policies are applied to mitigate such risks across the various asset classes.

40. Style Bias Risk

An investment style bias can impact a fund's performance relative to its benchmark in a positive or negative way. No investment style performs well in all market conditions. When one style is in favour another may be out of favour. Such conditions may persist for short or long periods.

RISK MATRIX:

A summary of the risks associated with the funds is shown below. Please refer to section 3 "Risk Factors" for full details:

		Multi-Asset Funds	Equity Funds		Fixed Income Funds		Other	
		Multi-Asset Fund	Global Select Fund	UK Equity High Alpha Fund	Index-Linked Bond Fund	Corporate Bond Fund	Sterling Fund	Property Fund
General Risks	1 Investment Risk	•	•	•	•	•	•	•
	2 Valuation Point	•	•	•	•	•	•	•
	3 Suspension of Dealings	•	•	•	•	•	•	•
	4 Hedging Risk	•	•	•	•	•	•	•
	5 Investment Objective	•	•	•	•	•	•	•
	6 Investment Policy	•	•	•	•	•	•	•
	7 Custodian Risk	•	•	•	•	•	•	•
	8 No Capital Guarantee	•	•	•	•	•	•	•
	9 Counterparty Risk	•	•	•	•	•	•	•
	10 Legal, Tax and Regulatory Risk	•	•	•	•	•	•	•
	11 Non-market Exposure	•	•	•	•	•	•	•
	12 Derivatives for EPM & Hedging	•	•	•	•	•	•	•
	13 Fund Liquidity Risk	•	•	•	•	•	•	•
	14 Investor Concentration Risk	•	•	•	•	•	•	•
	15 Valuation Risk	•	•	•	•	•	•	•
	16 Inflation Risk	•	•	•	•	•	•	•
Fund Specific Risks	17 Investment in Funds	•	•		•		•	
	18 Currency Risk	•	•					
	19 Issuer Risk	•			•	•	•	
	20 Political and Financial Risk	•	•					
	21 Settlement Risk	•	•					
	22 Liquidity Risk	•				•		
	23 Effect of Portfolio Concentration							
	24 Interest Rate Risk	•			•	•		
	25 Volatility Risk	•			•	•		•
	26 High Volatility Risk		•	•				
	27 Investment in Deposits						•	
	28 Fair Value Pricing Impact		•					
	29 Property Liquidity Risk							•
	30 Property Valuation Risk							•
	31 Property Market Risk							•
	32 Development Risk							•
	33 Uninsured Losses							•
	34 Property Liquidity Management							•
	35 Investment in Derivatives	•						
	36 Leverage Risk	•						
	37 Short Selling Risks	•						
	38 China HK Stock Connect	•	•					
	39 Sustainability Risk Integration	•	•	•	•	•		•
	40 Style Bias Risk		•	•				

4. QUESTIONS AND ANSWERS

WHAT ARE POOLED PENSION FUNDS?

When you invest in a pooled pension product, the asset you receive in return for your investment is a unit-linked policy, which is a type of insurance policy used for investment. This is not the same as investing directly in a regulated fund, for example a UCITS OEIC (open-ended investment company), or a unit trust.

The policy you receive is your asset, and it sets out the way your investment works. When you choose from the range of pooled pension funds, you are choosing to have units applied to your policy in exchange for your contributions. The performance of these units is linked to a pool of assets that the insurer sets aside for this purpose. This is called a "fund" in this document.

You do not have an interest directly in a fund and your policy as an asset is a contractual right against TPEN, the value of which is determined by the number of units attached to it and the value of those units.

WHAT BENEFITS DO THE FUNDS OFFER?

Threadneedle Pooled Pension Funds, as unit-linked funds, offer TPEN greater flexibility over the fees charged to individual funds. This greater flexibility allows TPEN to pool a wider range of clients, thus offering better economies of scale and potentially lower fees to end investors.

Current law and practice relating to unit linked funds provides for potential VAT and stamp duty advantages over other types of unitised vehicles.

Please note that this may change over time, without notice from TPEN.

WHO CAN INVEST IN THESE FUNDS?

To be eligible to invest in Threadneedle Pooled Pension Funds an investor must be a) a scheme that is exempt approved or the equivalent by the HM Revenue & Customs or (b) a CoACS in which every unitholder is a pension fund within (a). A pension scheme faces significant consequences if it ceases to be an 'exempt approved scheme' but remains invested (directly or via a CoACS) in a unit-linked fund.

Insurance companies adding Threadneedle Pooled Pension Funds to their platform will be required to ensure only monies referable to pension business are invested.

WHAT FUNDS AND CLASSES ARE AVAILABLE?

TPEN offers a range of Pooled Pension Funds for investment. A list of all the available funds and their investment objectives are listed in the 'Its Aims' section of the document on page 2.

Each fund has a different investment objective, and a number of unit classes link to each fund. The unit classes differ in respect to the charges that they bear. The chosen unit class for investment will be agreed by you and TPEN.

For all TPEN funds, units of the accumulation type are available, that is, income from the funds is automatically reinvested gross of the available

reclaims and reflected in the fund unit price. Investment income and any reclaimed tax are not distributed or used to purchase new units.

Income units are currently only available on the Property Fund. Distribution of income will be allocated on a specific date (or dates) during the year (the 'XD Date'). The registered holder of the unit on the XD Date will be entitled to receive the income for that unit. The XD Dates for the Property Fund are 1 January, 1 April, 1 July, 1 October of each year. In the event that an income allocation date is not a business day in England and Wales, such income allocation date will be moved forward to the next business day. Income distributions are made on a quarterly basis on 28 February, 31 May, 31 August and 30 November of each year. In the event that the payment date is not a business day in England and Wales, payments will normally be made on the business day immediately before the payment date.

The amount available for allocation in any accounting period is calculated by taking the aggregate of the income received or receivable in respect of that period, and deducting the charges and expenses paid or payable out of income in respect of that accounting period.

All interest distributions are made gross so no tax will be deducted from any interest distributions. A tax voucher showing the amount of the income distributed or deemed to be distributed (in the case of accumulation shares) to the policyholder will be sent to policyholders at the time of a distribution.

Income Equalisation

When the first income distribution is received it may include an amount known as equalisation. The amount representing the income equalisation in the unit's price is a return of capital and is not taxable in the hands of policyholders. This amount should be deducted from the cost of units in computing capital gains realised on their disposal.

HOW DO I MAKE AN INVESTMENT?

If you wish to make an investment in one or more of our funds, you must first complete an application form to enter into a Policy with TPEN. However, if you wish to make your initial investment as a lump sum investment in the Property Fund, before completing the application form you must submit an Intention to Deal Notice ("Intention Notice").

Existing policyholders are also expected to complete an Intention Notice before submitting any large subscription or switching application on the TPEN Dealing Form, in relation to the Property Fund.

The Intention Notice is designed to protect the interest of investors within the Property Fund, by helping the fund manager to more efficiently manage subscription requests, to ensure liquidity remains at the desired levels, especially since investment in property can be slow to transact. All Intention Notices are kept on a waiting list which is managed on a first-come-first-served basis.

For more information about the Intention Notice procedure, please contact clientservices@columbiathreadneedle.com

Once an application to enter into a Policy with TPEN is accepted, contributions are payable to TPEN and are used to purchase units in the fund(s), chosen by you. TPEN does not exercise investment discretion in the choice of fund(s) or in sub-allocation to scheme members.

Units in the funds are created at a midday valuation point (UK time) on each dealing day (normally every weekday except UK public holidays). There is a cut-off point of 11am for dealing instructions to be received, in order for those instructions to be carried out at the midday valuation point. TPEN reserve the right to require cleared funds for particularly large transactions.

Further details are provided on the TPEN Dealing Form, available on request from clientservices@columbiathreadneedle.com

You must provide details of persons authorised to give instructions with regard to allocations, realisations and switches.

Please see the section below "How can I sell my units?" for information on suspensions, and the possibility of dealing limits being imposed, which may also affect your ability to make an investment.

WHAT DOCUMENTS WILL I RECEIVE AFTER INVESTING?

On acceptance of your application you will be issued with a Policy Document, which, together with your application form, forms the contract constituting your investment.

For each transaction, e.g. the buying or selling of units or switching funds, you will be sent a contract note giving details of your transaction.

Periodically, TPEN will also send you a valuation statement detailing units held.

HOW ARE THE FUNDS PRICED?

Threadneedle Pooled Pension Funds are priced on a semi- swinging single price basis. That is, a single price is issued, and all investors buy and sell at this price. The dealing price is based on the fund's Net Asset Value (NAV) which may be adjusted or 'swung' by a dilution adjustment to subscriptions and redemptions in the fund. Therefore, the Price per unit may not be the same as the NAV per unit.

This means that on your valuation statement and when you check the current value of your holdings online or by contacting us, you may receive a value after application of the "swing" as that is the prevailing price of each unit.

- If the fund is experiencing significant and/or sustained net inflows, the unit price is adjusted upwards.
- Conversely, if the fund is experiencing significant and/or sustained net outflows, the unit price is adjusted downwards.
- Where a TPEN fund invests in another Columbia Threadneedle Investment fund(s), such as a unit trust or OEIC, a decision to apply a dilution adjustment on the TPEN fund will be influenced by any

decision to apply dilution on the relevant unit trust or OEIC sub fund in which the TPEN fund has invested.

The reason for adjusting the prices of units is to protect other policyholders from the dilution in the value of their units caused by dealing costs and disbursements associated with the purchase of underlying assets (in the case of net inflows) or the sale of underlying assets (in the case of net outflows).

Examples of current dilution rates, which may change over time, are as follows:

For a UK Equity Fund, a typical dilution adjustments rate is currently 0.58% for net purchases and 0.08% for net redemptions.

For a UK Corporate Bond Fund, a typical dilution adjustments rate is currently 0.32% for net purchases and net redemptions.

For the Property Fund, a typical dilution adjustment rate is currently, 6.3% for net purchases, and 1.3% for net redemptions.

Further information on the latest available dilution rates for each fund is available from clientservices@columbiathreadneedle.com

Dilution adjustments are applied for the benefit of existing and continuing investors in a fund, not for the benefit of TPEN or any other Group company.

VOLATILITY ADJUSTMENT

TPEN may apply a volatility adjustment to reduce variability in the unit price of the fund caused by changes in the level of net inflow or outflow of investment into or out of the fund and consequent changes in the amount of any dilution adjustment applied. Therefore, in the event that there is a small inflow or outflow which goes against what is otherwise a general trend, a volatility adjustment may be applied instead of a dilution adjustment.

Currently, a volatility adjustment can only be applied to the Property fund. However, subject to 28 days' notice being given to policyholders, a volatility adjustment may also be applied to other TPEN funds.

HOW CAN I CHECK THE PRICE OF MY UNITS?

You can find out the latest unit price for each fund on our website, or alternatively you can call us. Our contact details can be found in 'How to contact us' section on page 22.

WHAT ARE THE CHARGES?

The following charges apply to all Threadneedle Pooled Pension Funds.

ANNUAL MANAGEMENT CHARGE

An annual management charge (AMC) is made for the management of your fund(s). The charge varies depending on the fund(s) you are invested in and the unit class chosen. The AMC is calculated and accrued against each unit class daily, where the AMC is deducted from the unit value.

The annual management charge is stated in the Policy Schedule of your Policy Document or will otherwise have been provided to you prior to being issued with your Policy.

TPEN will give 3 months' notice in writing of any change in the AMC. This notice will be accompanied by an ex-ante cost disclosures document, if the change is considered to be material, in order to illustrate how the change will impact the charges you pay.

ADDITIONAL EXPENSES

There may be additional expenses charged to the funds that relate to services provided by the custodians, registrars, auditors and other service providers as well as regulatory costs. In addition, there will be transaction related costs associated with the buying and selling of the underlying investments. Where a TPEN fund invests indirectly through a fund of funds or a portfolio of funds, there may be some exposure to performance fees.

For funds that invest in other Collective Investment Schemes, an element of the underlying costs associated with running these funds will also be incurred.

Section 5 in this KFD explains the impact that charges and expenses can have on a TPEN fund.

MINIMUM FEE

Whilst there is currently no Minimum Fee charged, TPEN reserve the right to do so.

The Minimum Fee is stated in the Policy Schedule of your Policy Document. TPEN will give 3 months' notice in writing of any change in the Minimum Fee.

SWITCHING FEE

Whilst there is currently no charge for switching between funds, TPEN reserve the right to do so.

In addition, please note that a switch transaction may be subject to dilution adjustments on either or both parts of the transaction.

The Switching Fee is stated in the Policy Schedule of your Policy Document. TPEN will give 3 months' notice in writing of any change in the Switching Fee.

HOW CAN I SELL MY UNITS?

You may sell your units or cancel your policy with TPEN in accordance with your Policy terms. You, or an authorised person, should notify TPEN if withdrawals are required. The sale of the required units in the fund(s) will normally take place at the valuation point after TPEN has received appropriately authorised notice before the 11am dealing cut-off point. The proceeds will be remitted to you by electronic transfer to the policy holder's bank account.

Pension funds represent long-term investments and significant realisation of units at short notice could prejudice the investment performance for other policyholders.

SUSPENSION OF DEALINGS/IMPOSING DEALING LIMITS

Please note that TPEN may, where it considers it to be in the best interests of Investors, suspend or impose limits on dealings in Units (including allocations, switches and realisations of Units) for 3 months (12 months for Funds whose value depends wholly or partly on the value of real property). This period may be extended if TPEN is of the opinion that it is necessary to do so to protect the interests of Investors. During any period of suspension contributions received from you, including scheduled regular contributions from Defined Contribution investors, may not be applied to the purchase of units or limits may be imposed in this regard. Similarly, this may mean that redemptions and switches cannot be made for the duration of the suspension or that limits on redemptions and/or switches may be applied. Typically, suspensions are for short periods where, for example, market disturbances mean that it is not possible to fairly value the units, or the liquidity of a fund mean that in TPEN's opinion (acting fairly and reasonably) it would not be in the interests of all policyholders to allow dealing in or out of the fund.

Investors will be notified of such suspension in dealings as soon as is practicable after suspension commences and kept informed via the website: www.columbiathreadneedle.co.uk. Suspension will continue only for so long as it is justified having regard to the interests of Investors.

On a resumption of dealings following suspension, it is anticipated that unit pricing and dealing will take place at the Dealing Days and times stated in your policy.

MARKET TIMING AND LATE TRADING

The repeated purchase and sale of units in response to short-term market fluctuations is known as "market timing". The processing of subscriptions after the dealing cut off time and/or valuation point is known as "late trading". Units in a fund are not intended for market timing or late trading. TPEN has a policy in relation to market timing and late trading. As part of its policy, TPEN may refuse to accept dealing requests from persons that they reasonably believe are engaged in market timing or late trading and TPEN will actively monitor trading patterns to assist it in maintaining the stability and integrity of the price of units.

RESTRICTIONS AND COMPULSORY TRANSFER AND REDEMPTION

Only investments that are 'referable to pensions business' in the UK will be accepted by TPEN. Policyholders undertake to ensure that their investments (and in the case of a CoACS investor, the investments of each unitholder in the CoACS) remain referable to pensions business on a continuous basis.

TPEN may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that units are not directly or indirectly acquired or held by any person in breach of any law or governmental rule or regulation (or any interpretation of a law or governmental rule or regulation by a competent authority or entity with

equivalent status) of any country or territory, or which would (or would if other units were acquired or held in like circumstances) result in TPEN incurring any liability to taxation which TPEN is not able to recoup itself or suffering any other adverse consequence, including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory.

FAIR VALUE PRICING

Where TPEN has reasonable grounds to believe that:

- (a) no reliable price for an underlying fund asset or assets in question exists; or
- (b) such price, if it does exist, does not reflect TPEN's best estimate of the value of such assets.

It may calculate the fund's NAV at a price which, in its opinion, reflects a fair and reasonable price for that property ("fair value pricing").

5. OTHER INFORMATION

OTHER PARTIES PROVIDING SERVICES TO TPEN:

Investment Manager:

Threadneedle Asset Management Limited ('TAML')
Cannon Place
78 Cannon Street
London
EC4N 6AG

Threadneedle Asset Management Limited provides investment management services to TPEN

REGISTRAR AND TRANSFER AGENT:

SS&C Threadneedle Pensions Ltd
ICS Department
PO Box 12381
Chelmsford
CM99 2ET

For postal enquiries, please use address under the **How to Contact Us** section.

AUDITORS:

PricewaterhouseCoopers LLP
Atria One
114 Morrison Street
Edinburgh
EH3 8EX

Audited Financial Statements

TPEN has an annual accounting end date of 31 December. Copies of audited financial statement may be obtained on request from clientservices@columbiathreadneedle.com

Stock lending

Stock lending is a process whereby the owner of a security (such as an equity share or fixed interest holding) lends the security to another party in return for a fee.

From time to time, TPEN may engage in stock lending, either directly or indirectly by being invested in other Threadneedle funds which are engaged in stock lending arrangements.

In the process of direct stock lending, the relevant TPEN fund will receive a share of the fees, which may be shared with the intermediary party which facilitates the transaction. Further information on TPEN's stock lending policy is available on request.

Corporate Governance and Voting Policy

Threadneedle has corporate governance policies set out in the documents 'Governance and Responsible Investment' and 'Principles for Proxy Voting' which are available on request.

Compensation

You may qualify for compensation from the Financial Services Compensation Scheme (FSCS) if TPEN become unable to pay claims against us because of financial difficulties. This will depend on the nature of the business and the circumstances of the claim.

You can find out more about the FSCS by visiting their website; www.fscs.org.uk or by calling; 0800 678 1100 or 020 7741 4100 Open 8.30am to 5.30pm, Monday to Friday

COMPLAINTS

If you wish to make a complaint about any aspect of our service, please do not hesitate to contact us. Our contact details can be found in 'How to contact us' on page 22.

A copy of our complaints handling procedure is available on request.

Any sales-related complaints that we cannot settle can be referred to the:

THE FINANCIAL OMBUDSMAN SERVICE

South Quay Plaza
183 Marsh Wall
London
E14 9SR

Telephone: 0800 023 4567 or 0300 123 9123

Switch Board: 020 7964 1000

Fax: 020 7664 1001

Website: www.financial-ombudsman.org.uk

E-mail: complaint.info@financial-ombudsman.org.uk

Any administration related complaint should be directed to your administrator. We are not responsible for member level administration as we do not provide administration services. Any administration related complaints unresolved by your administrator can be referred to:

The Pensions Advisory Service

11 Belgrave Road
London
SW1V 1RB

Telephone: 0300 123 1047
Open 9am to 5pm, Monday to Friday
E-mail: enquiries@pensionsadvisoryservice.org.uk

Your complaint may then be referred to:

The Pensions Ombudsman

Belgrave Road
London
SW1V 1RB

Telephone: 020 7630 2200
E-mail: enquiries@pensionsadvisoryservice.org.uk

Making a complaint to The Pensions Advisory Service or the Financial Ombudsman will not affect your legal rights.

The Regulator

Threadneedle Pensions Limited is registered in England and Wales, No. 984167. Registered Office: Cannon Place, 78 Cannon Street, London EC4N 6AG. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

You can check the register at: www.fca.org.uk/register

Or you can contact the FCA or PRA directly:

The Financial Conduct Authority:
Endeavour Square
London
E20 1JN

Consumer Helpline: 0800 111 6768

Prudential Regulation Authority

20 Moorgate
London
EC2R 6DA

Switchboard: 020 7601 4444

TAX STATUS

The information given here does not constitute legal or tax advice. Therefore, before investing, switching or redeeming units in TPEN funds, investors in TPEN funds should consult their own professional advisor on

the likely tax consequences of such transactions and request further information from their pension scheme provider.

The following is based on TPEN's understanding of current law and practice in October 2020, when this KFD was prepared.

TPEN Funds, as unit-linked funds, are generally exempt from UK tax on income and capital gains arising on investments including any derivatives held within them and deposits held for the purposes of the fund.

Dividends and interest income received by the funds may be subject to foreign withholding taxes deducted at source.

However, the availability of tax treaty relief between countries could potentially reduce this. Although TPEN will seek to reclaim such foreign withholding taxes for the benefit of policyholders where possible and practicable, TPEN cannot guarantee that it will be successful in doing so.

Under current UK law and practice, the UK pension fund management services provided by the fund manager are exempt from Value Added Tax ('VAT') in accordance with VAT Act 1994 Schedule 9, Group 2, Item 1.

PRIVACY STATEMENT

Your data controller

For the purposes of the UK Data Protection Act 1998 and/or any consequential national data protection legislation, and/or any other applicable legislation or regulation, the data controller in respect of any personal information provided is TPEN Threadneedle Pensions Limited. In this privacy statement 'we', 'us' and 'our' means TPEN Threadneedle Pensions Limited.

Uses made of your personal information

This Privacy Statement covers information about you ("personal information") that you supply to us. This information will typically include information such as your name, address, date of birth, telephone number, email address, gender, financial information and other information you provide to us. Our legal basis to process your information includes doing so in order to comply with our legal obligations (e.g., for the purposes of debt collection and/or the prevention of fraud or any other crime), to perform a contract between us and you (e.g., manage and administer your account (including but not limited to contacting you with details of changes to the products you have bought, and offering you new investment products), establish and defend any legal claims, or because you have consented to our use of your information. We may also process your personal information because it is necessary for our legitimate business interests (e.g., for internal analysis and research), we may also process your data in order to comply with legal or regulatory requirements.

Sharing of your personal information

We may use external third parties such as those described below to process your personal information on our behalf in accordance with the purposes set out in this privacy statement.

Where you have notified us of your adviser, the personal information provided may be shared with your adviser. You must notify us in writing if

you no longer wish us to share your personal information with your adviser or of any change to your adviser. Your adviser should have its own arrangements with you about its use of your personal information. For the avoidance of doubt, if you do wish to exercise any of your individual rights as set out in our privacy notice via your nominated adviser then we will require written authorisation from you (or both of you, in the case of a joint account) before we can share any such personal information with your adviser.

The personal information provided may also be shared with other organisations (including but not limited to governmental and/or tax authorities in the UK and outside the UK) in order for us to comply with any legal or regulatory requirements (e.g., audit reporting and anti-money laundering checks) and, in addition (in respect of tax authorities, and where lawful to do so under data protection laws) where necessary for the purposes of ensuring that tax is paid correctly and that we receive refunds of tax already paid when this is due to us. We may also transfer your personal information to appointed third party administrators, such as transfer agents, in order to process customer applications, carry out record keeping, dealing with subscriptions, switching, withdrawals and terminations, and certain communications. In addition, we may share your personal information with the companies within the ACD's group of companies for the purposes set out in this privacy statement and our privacy policy.

Business changes

If we or the Threadneedle group of companies undergoes a group reorganisation or is sold to a third party, your personal information provided to us may be transferred to that reorganised entity or third party and used for the purposes highlighted above.

Overseas transfers

We may transfer your personal information to countries located outside of the European Economic Area (the 'EEA'), including to the United States. This may happen when our servers, suppliers and/or, service providers are based outside of the EEA. We may transfer your information under certain circumstances (e.g., where it is necessary to perform our contract with you). The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA – in these instances we will take steps to ensure that your privacy and confidentiality rights are respected.

We implement measures such as standard data protection contractual clauses to ensure that any transferred personal information remains protected and secure. A copy of these clauses can be obtained by contacting us at the address listed below in the "Contact Information" section. Details of the countries relevant to you will be provided upon request.

Your Rights

With limited exceptions, you are entitled, in accordance with applicable law, to object to or request restriction of processing of your personal information, and to request access to, rectification, erasure and portability of your personal information. This service is provided free of charge unless requests are manifestly unfounded or excessive. In these circumstances, we reserve the right to charge a reasonable fee or, refuse

to act on the request. You can write to us at ACD Client Services at the details provided in the Directory or by contacting us at the address listed below in the "Contact Information" section.

If any of the information that we hold about you is wrong, please tell us and we will put it right.

You may lodge a complaint with the applicable regulator if you consider our processing of your personal information may infringe applicable law.

Data Security and Retention

We maintain reasonable security measures to safeguard personal information from loss, interference, misuse, unauthorized access, disclosure, alteration or destruction. We also maintain reasonable procedures to help ensure that such data is reliable for its intended use and is accurate, complete and current.

Personal information will be retained only for so long as reasonably necessary for the purposes set out above, in accordance with applicable laws. For more information on our data retention periods, you can request a copy of our data retention policy by writing or emailing to the address listed below in the "Contact Information" section.

Contact Information

You can raise any issues regarding the processing of your personal information by contacting our Data Protection Officer at any time: DPO@columbiathreadneedle.com or Cannon Place, 78 Cannon Street, London EC4N 6AG.

CONFLICT OF INTEREST

During the term of your policy, conflicts of interest may arise between you and us, our associated companies or our representatives.

A conflict of interest is where our duties to you as an investor may conflict with what is best for ourselves. To ensure we treat customers fairly, we have a policy in place on how to identify and manage these conflicts.

MONEY LAUNDERING

Investments in connection with TPEN will be covered by United Kingdom legislation designed to prevent money laundering. In order to meet these requirements, TPEN may ask investors to provide proof of identity or other documents, such as Trust Company's legal documents, when contracting a unit-linked policy. For this purpose, TPEN may use credit reference agencies (who will record that an enquiry has been made) and/or may check electronic databases.

LAW AND LANGUAGE

All the information in this document is based on our understanding of current law relating to pensions.

Your Policy Document is governed by English Law. All our customer communications will only be available in English.

6. HOW TO CONTACT US

There are several different ways of getting in touch with us.

For general enquiries:

You can call us at: 020 7464 5667

Call charges will vary. We may record and monitor calls.

You can e-mail us at: clientservices@columbiathreadneedle.com

You can write to us at:

Threadneedle Pensions Limited
Cannon Place
78 Cannon Street
London
EC4N 6AG

You can also visit our website at: www.columbiathreadneedle.co.uk

For registration and dealing:

Telephone: UK: 0330 123 3779

Overseas: +44 (0)1268 447 421

TPENicsemaildealing@uk.sscinc.com

Fax: UK: 0330 123 3685

Overseas +44 (0) 1268 457 713

For dealing postal enquiries:

Threadneedle Pensions Limited
ICS Department
PO Box 12381
Chelmsford
CM99 2ET

7. ABOUT COLUMBIA THREADNEEDLE INVESTMENTS

Columbia Threadneedle are signatories to the United Nations Principles for Responsible Investment (UN PRI).

Our Real Estate Responsible Investment Policy Statement covers all asset classes including property. A copy of Columbia Threadneedle Investments' Real Estate Responsible Investment Policy Statement can be found on our website.

Columbia Threadneedle Investments manages £490 billion* of assets for institutional and individual clients around the world. We have more than 450 investment professionals globally and aim to deliver strong and repeatable risk-adjusted returns through an active and consistent investment approach that is team-based, risk-aware and performance-driven. Columbia Threadneedle Investments is the global asset management group of Ameriprise Financial, Inc., a leading US-based financial services provider. As part of Ameriprise, we are supported by a large and well-capitalised diversified financial services firm.

**as at 30 September 2022.*

Threadneedle Pensions Limited. Registered in England and Wales, No. 984167. Registered Office: Cannon Place, 78 Cannon Street, London EC4N 6AG. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

ANNEX 1

ADDITIONAL INFORMATION WITH RESPECT TO THE PROPERTY FUND, PROVIDED IN ACCORDANCE WITH THE ASSOCIATION OF REAL ESTATE FUNDS (AREF) CODE OF PRACTICE

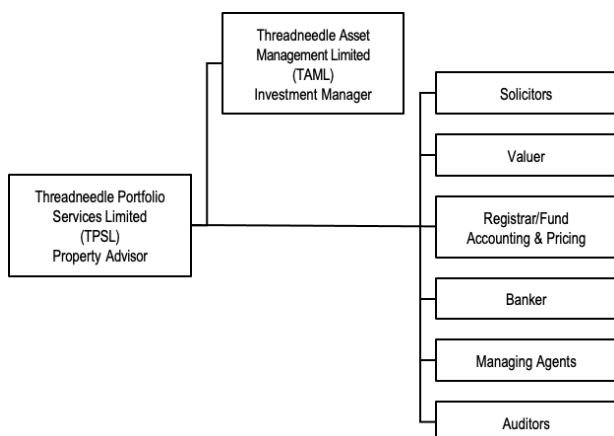
Fund Structure

The Threadneedle Pensions Limited Pooled Property Fund was launched on 31 December 1979. It is domiciled in the United Kingdom and operated as a unit-linked life fund for UK pension business only, accessible through a pooled pension fund policy issued by TPEN.

The Fund is open-ended, and provides an opportunity for UK Pension Funds to have an indirect investment exposure to a diversified portfolio of property assets in the United Kingdom.

Threadneedle Pensions Limited receives subscriptions for units, holds the underlying property and the assets of the Fund.

MANAGEMENT STRUCTURE AND ACCOUNTABILITY Threadneedle Pensions Limited Pooled Property Fund



Investment Objective of the Fund

This Key Features Document sets out the objectives for the Fund. A change to the objectives by TPEN, requires a 3-month period of notice to policyholders.

The Fund's investment objective is to invest primarily in direct UK commercial property. It aims to generate total returns (from income and capital appreciation) and outperform its benchmark, the MSCI/AREF UK All Balanced Quarterly Property Fund Index (Weighted Average) Total Return, over rolling 3-year periods, after the deduction of charges.

It also aims to deliver positive environmental or social outcomes, in accordance with the Real Estate Responsible Investment Policy Statement.

- The Fund will maintain a diversified portfolio.

- The Fund will invest into direct commercial property in the UK and is also permitted to invest in collective investment schemes which are themselves invested in UK commercial property.
- The commercial property held within the Fund may include residential assets such as,
 - Student Accommodation
 - Senior Living
 - Build to Rent Homes
 - Conversion from Lower Value use
- The Fund will not invest outside the UK, or into agriculture assets.
- No single asset will account for more than 15% by value of the Fund's asset value.
- The Fund is permitted to use leverage up to 10% of the asset value of the Fund.
- The Fund cash balance will normally represent between 5% and 15% of the asset value of the Fund. There are no maximum or minimum cash weightings.
- The Fund may invest in property derivative instruments, subject to property derivative exposure being no more than 10% of the Fund's asset value.
- No single tenant will be responsible for more than 10% of the Fund's rental income, unless that tenant is a UK government entity or a corporate body.

Promotion of Environmental Characteristics

1.1 The property fund (the "Property Fund") promotes environmental characteristics through asset selection and active asset management in order to support the creation of sustainable property assets that are environmentally optimised. In particular, the Property Fund has and will continue to:

- improve the environmental performance potential of the property assets, and
- lower the energy use and carbon intensity of the property assets.

These will assist in seeking to achieve Net Zero operational carbon emissions¹ from the property portfolio by 2040 or sooner (the "Environmental Characteristics").

1.2 In order to deliver these Environmental Characteristics, the Investment Manager TPEN adheres to Columbia Threadneedle Investments' Responsible Investment Policy and Refurbishment

¹ Operational carbon emissions are those associated with the energy used in the management or occupation of buildings.

Guide. This ensures that the relevant assets are transitioned during the property hold period.

- 1.3 In accordance with the Property Funds' responsible investment approach, TPSL adopted the systematic inclusion of specific Environmental Characteristics into the investment decision-making process.
- 1.4 The Investment Manager has and will continue to minimise any adverse sustainability impacts whilst promoting and encouraging sustainable development and operations in partnership with connected stakeholders, such as developers, operational partners and occupiers.

Principal Adverse Impacts

- 1.5 Principal adverse impacts are considered to be impacts of investments decisions that result in negative effects on sustainability factors. The Investment Manager considers the principal adverse impact on sustainability factors throughout the lifecycle of the Property Funds' investments. This includes the following sustainability indicators applicable to investments in the Funds real estate assets:

- (a) Exposure to energy inefficient real estate assets;
- (b) Greenhouse gas emissions; and
- (c) Energy consumption intensity.

- 1.6 Further information regarding how the Investment Manager considers the principal adverse impacts on sustainability factors will be available in the annual report.

Investment Manager's Property Investment Strategy

- 1.7 The Property Fund's investment strategy seeks to deliver the Environmental Characteristics through active asset management. As such, the Investment Manager will assess each potential investment individually to determine where there is potential to achieve the Environmental Characteristics, rather than selecting investments that already demonstrate these at the pre-investment stage.
- 1.8 Performance will therefore be measured by improvement against the sustainability indicators referred to below, and which are reported annually.
- 1.9 Notwithstanding the above, with specific regard to property investment, when assessing any new property investment on behalf of the Property Fund, TPSL's standard due diligence protocol requires all buildings to be comprehensively surveyed from a structural, mechanical and environmental perspective prior to purchase. Consideration is given to a wide range of factors including:

- (a) energy performance (energy or sustainability audits) and minimum energy standards;

- (b) environmental risks (including flood risk); and
- (c) areas for potential improvement in terms of sustainability performance.

- 1.10 The contents of each report inform the financial modelling undertaken on the property (as appropriate) and form part of the property risk matrix which is handed over to the property management team on completion of each acquisition.

Sustainability Indicators

- 1.11 TPSL uses the following sustainability KPIs to measure the attainment of the Environmental Characteristics:
- (a) Environmental Performance Certificates (EPCs);
 - (b) energy consumption/intensity; and
 - (c) GHG emissions/carbon footprint.
- 1.12 The Property Fund's performance against the relevant KPIs are reported in TPEN's annual reports, published on the Columbia Threadneedle Investments website .
- 1.13 The Property Fund has participated in Global Real Estate Sustainability Benchmark (GRESB) on an annual basis since 2011. GRESB's annual Real Estate Assessment assesses scores and ranks each Property Fund against a comprehensive set of criteria, including environmental, social and governance criteria in comparison to other Property Funds and assets in the peer group and the wider GRESB Real Estate universe. The GRESB assessment covers the key ESG considerations relative to the real estate industry.

Social Responsibility

Environmental, Social and Governance ("ESG") factors influence decision making on the Property Fund when a property is purchased, in our evaluation of the assets risk factors, during the holding period, and as we look to create value on the asset. The Fund Manager, takes ultimate responsibility for the Property Fund and the assets held within it.

Columbia Threadneedle Investments undertakes checks on its tenants including those relating to 'politically exposed persons' (PEP) and those subject to sanctions. Columbia Threadneedle Investments will take into consideration the proposed use of a property for each tenant as this could impact the holding and its value.

Our Property Oversight team sets specific objectives for the external property management teams we work with, who must not only comply with statutory requirements for EPC, CRC and Heat Network regulations, but adhere to our ESG targets which apply to all assets and include:

10% carbon saving	Green energy procurement	Smart/AMR meter installation
Reduced boiler/AC operation times	Voltage and boiler optimisation	Power down
Save water	0% waste to landfill	Green initiatives

The progress and success against these targets are reviewed semi-annually.

Finally, we adhere to the Carbon Reduction Commitment (CRC), the Energy Saving Opportunity Scheme (ESOS), and Heat Network Regulations.

Columbia Threadneedle contributes to the Global Real Estate Sustainability Benchmark (GRESB).

Threadneedle Asset Management Limited (TAML)

Under a discretionary investment management agreement, TAML has been appointed by TPEN as the Investment Manager, to manage the Property Fund with a view to achieving the investment objectives, as well as responsibility for the management of all cash assets held by the Property Fund outside of the property portfolio.

TAML is authorised and regulated by the Financial Conduct Authority in relation to, among other things, the provision of investment management and investment advice.

The Directors of Threadneedle Asset Management Limited:

D Logan
M Jackson
F Mouchel
R Watts

The Board of Directors meet quarterly to discuss the market outlook, as well as the progress and outlook of the Property Fund. Director appointments are fully discretionary.

Documentation relating to details of key appointments is available to existing investors upon request.

TAML may delegate any of its functions to an associate, who in turn shall have the power to sub-delegate. TAML remains liable for the acts and omissions of associates. TAML has delegated certain discretionary investment management powers in respect of the Multi-Asset Fund to its US domiciled affiliate, Columbia Investment Advisers, LLC.

PROPERTY FUND – ADDITIONAL INFORMATION

Subject to the investment objectives, TAML has complete discretion to:

- buy, sell, retain, exchange or deal in investments and other assets;
- make deposits and withdraw money from deposits;
- effect transactions on any markets;
- negotiate and execute counterparty documentation; and
- take all routine day to day decisions and exercise all rights and privileges inherent in the foregoing.

TAML manages any conflicts of interest in accordance with its Conflicts of Interest Policy, established in accordance with the FCA rules.

Termination of appointment

Either party may terminate the investment management agreement between TPEN and TAML at any time on 3 months' written notice to the other party, or with immediate effect in the event of:

- material breach;
- bankruptcy, insolvency or entering into administration or liquidation of either party;
- if required by any competent regulatory authority; and
- if by continuation of the agreement would cause either party to be in breach of any legal or regulatory requirement.

Termination does not give rise to any contractual right to compensation. There is no expressed contractual right for TAML to challenge the termination notice and during the termination notice period, TAML's obligations continue, other than if instructed by the Property Fund otherwise.

Threadneedle Portfolio Services Limited (TPSL)

The Investment Manager has delegated certain property management services in respect of real estate property to TPSL, the Property Advisor, with the responsibility for the investment strategy, accounting, marketing and overall management of the property portfolio.

TPSL performs various services in relation to the Property Fund's assets and in accordance with the Property Fund's Investment Guidelines. These areas of estate management responsibilities include:

- Tenancy and occupancy and other obligations under leases and licenses.
- Facility management including property inspections at intervals.
- Property Fund advertising and promotion.
- Property Fund administration and risk management.
- Activities that are considered desirable or necessary for the better management of the Property Fund's assets.

TPSL will be entitled to a fee payable by the Investment Manager as agreed and shall be reimbursed, without limitations, to sums spent by it on behalf of the Investment Manager and/or the Property Fund.

Termination of appointment

This appointment, under the terms of an agreement, is to continue in effect until terminated, providing at least 90 days' written notice, by either party, or with immediate effect in the event of:

- a material breach by either party of its obligations;
- if TPSL is no longer an authorised entity in respect of regulated investment advice and management; and
- if TPSL is dissolved or becomes insolvent, or if a receiver is appointed over any of its assets.

Other Parties Involved in the Property Fund's Operations

Solicitors:

TPEN appoints Hogan Lovells International LLP to advise on Property Fund related legal matters on an instruction by instruction basis, and Addleshaw Goddard to advise on property related legal matters. The Property Fund may use other solicitors.

Banker:

TPEN appointed Lloyds Bank Plc for its operational banking and is required to provide two weeks' notice to close its bank account. Cash and bonds are also held at Citibank NA.

Registrar/Fund Accounting and Pricing:

TPEN has delegated certain of its investment operations functions, including Fund accounting and pricing, to Citibank N.A., and its retail administration functions, including valuations and registration, to SS&C Financial Services Europe Ltd.

Termination of the relationship with SS&C Financial Services Europe Limited would require TPEN to provide a 12 months' notice period, per the terms of the contract.

After the expiry of an agreed initial term, either the agreement with can be terminated, giving 9 months' notice.

Managing Agents:

The Managing Agents, as employed by TPSL have the responsibility for all aspects of the day-to-day operations of the Property Fund's investment properties, including the management of tenants, building repairs and maintenance and controlling building work projects.

The Managing Agents may be removed immediately in respect of:

- any property which is sold;
- where the Property Fund Manager's mandate ceases for any reason liquidation of the Managing Agent;
- gross misconduct or material breach;

- ceasing to comply with the FCA; and
- where, in the interest of investors.

The Managing Agents, receive a service charge payment as part of their overall remuneration. The Manager accounts to the Property Fund for any insurance commission which it receives in relation to the Property Fund's properties.

Under any other circumstances, the Managing Agents can be removed by giving 2 months' notice.

Valuers:

TPEN appointed the Property Fund's valuers, CBRE Limited, to undertake monthly valuations of unencumbered freehold, long-leasehold and short-leasehold interests in the properties, for accounting and unit-pricing purposes, and on the basis of Fair Value as at the valuation date, in accordance with the terms of engagement entered into by CBRE Limited and the Property Fund.

CBRE Limited are professional, third party, independent Chartered Surveyors, and have carried out their work based upon information supplied by the Property Fund managers and managing agents employed by the Property Fund. An alternative valuer is used when there is a conflict of interest.

CBRE is appointed on a rolling period of three years. The Property Fund can exercise an option to terminate this appointment at any time, subject to giving the valuer six months' prior notice.

Valuations have been prepared in accordance with the RICS Valuation – Global Standards 2017, including the International Valuation Standards and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015), ("the Red Book"), and properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book.

OTHER INFORMATION

Transparency

The terms of the TPEN policy documentation have been drafted with a focus on ensuring fairness to all policyholders, in the context of the Property Fund offering.

The Manager may, from time to time, enter into side letters, and prospective investors should expect that they may enter into side letters or similar arrangements with policyholders that have the effect of establishing rights under, or altering or supplementing the terms of the Policyholder's investment, solely in respect of such policyholders. To ensure fair treatment, any such rights will not amend the documentation in such a way as to materially prejudice other policyholders.

Conflict of Interest

Conflicts of interest will be managed in accordance with the Manager's conflicts policies. The Manager will periodically review the Property Fund's policies and amend/replace as necessary.

All staff have the responsibility in the day to day management of conflicts in accordance with the Conflict of Interest Policy and related procedures. The Compliance team has responsibility to monitor the application of the process and framework therein, to identify, manage and escalate conflict risk identified to the executive team and to provide overall advice and support for the management of conflicts of interest.

The Head of Compliance has the responsibility for providing regular reporting of identified conflicts and their management. The Directors bear ultimate responsibility for the oversight of conflict of interest management, including the systems and processes implemented and their effectiveness.

ANNEX 2

HOW THE INVESTMENT MANAGER CONSIDERS ADVERSE SUSTAINABILITY IMPACTS

Regulation EU 2019/2088 of 27 November 2019 (the "Sustainable Financial Disclosure Regulation" or "SFDR") is a European regulation that applies to financial market participants and the financial products that they manage and/or market into the EU. Neither TPEN nor the Investment Manager fall within the scope of SFDR.

Columbia Threadneedle Investments EMEA recognises that investment decisions may contribute to or cause a negative impact on environmental and social sustainability factors. As such, it has elected to voluntarily report in line with certain aspects of SFDR, including to consider the principal adverse impacts (PAIs) of its investment decisions on sustainability factors at an entity level. This group level decision became effective on 01 July 2022 and applies to the assets managed by all of the legal entities in EMEA, including the Investment Manager.

SFDR introduces a number of mandatory and voluntary PAI indicators that relate to greenhouse gas emissions, biodiversity, water, waste, social and employee matters, respect for human rights and anti-corruption. The Investment Manager intends to address the adverse impacts of its investment decisions on the sustainability indicators in the following ways:

- Leveraging existing engagement procedures. Engagement activities can include contacting issuers, holding meetings with issuers and joining initiatives that seek to prevent and mitigate the PAIs. In cases where mitigation fails, potential escalation measures can include voting against management and ultimately divestment where appropriate. The prioritisation of engagement activities is undertaken at a group level.
- Considering PAIs as part of investment research. Several PAIs are actively weighted in existing models or included in portfolio monitoring, particularly for sovereign investments.
- Firm wide exclusions. The Investment Manager currently has in place a firm wide exclusion for controversial weapons.
- Considering adverse environmental impacts when selecting and refurbishing real estate assets.

This methodology applies at an entity level and its application does not lead to individual funds being deemed to have opted into the consideration of PAIs at a product level under SFDR. Where the Investment Manager considers PAIs at a product level, it will separately disclose the specific methodology that it uses to consider adverse sustainability impacts for the individual fund. This will be a feature of each fund's investment policy and the approach taken will be different to the one taken at an entity level – Please see Annex 1 of this KFD for further explanation as to the consideration of the principal adverse impact on sustainability factors in relation to the Property Fund.

ANNEX 3

SUSTAINABILITY RISK ASSESSMENT

Sustainability risk is defined as "an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment". The result of the sustainability risk assessment across the various asset classes are below.

EQUITIES AND FIXED INCOME

All equity and fixed income funds are exposed to sustainability risk, save for the money market fund. These strategies (excluding the money market fund) are potentially (rather than actually) exposed to ESG events or conditions that, if occurring, could cause a material negative impact on the value of the investment.

PROPERTY

All property funds are exposed to sustainability risk. These strategies are potentially exposed to ESG events or conditions that, if occurring, could cause a material negative impact on the value of the investment.

MULTI-ASSET

All multi-asset funds are exposed to sustainability risk. These strategies are potentially exposed to ESG events or conditions that, if occurring, could cause a material negative impact on the value of the investment.

MONEY MARKET

The nature of the assets held in the underlying fund that TPEN Sterling Fund holds (short-term assets of high credit quality issuers and cash) are used to provide high levels of liquidity and diversification in facilitating cash management and are not considered to be exposed to sustainability risks that may have a material negative impact on the value of the investment.

Controversial Weapons Policy

To protect shareholders and broader stakeholders' interests, Columbia Threadneedle Investments (EMEA) has maintained a controversial weapons exclusion policy since 2011. Reflecting both international conventions and the legal requirements in certain jurisdictions, we seek to avoid our active strategies investing in companies involved in the production, sale or distribution of controversial weapons including landmines, cluster munitions, blinding laser, non-detectable fragment and biochemical weapons and depleted uranium ammunition and armour. Where a company is verified to have an involvement, our policy is to seek to avoid investing in the securities issued by the company, however we reserve the right to take short positions in such securities.

Our definition of production extends to manufacturers of controversial weapon systems, munitions, exclusive delivery platforms and key components. This includes companies that own 50% or more in another firm engaged in such activities. Dual use platforms or components and past involvement in these weapons are not included in scope.

If any investments owned on behalf of CTI clients become exposed to excluded activities, we seek to divest such positions within six months if there is no tangible mitigating action by an issuer.

SUSTAINABILITY RISK INTEGRATION: EQUITY AND FIXED INCOME FUNDS

The Investment Manager considers a range of sustainability related risks in the investment decision-making process, to the extent that it is possible to do so, by incorporating an issuer's responsible investment practices and risks in the research available for the fund's portfolio management team. This research is systematically incorporated into the Investment Manager's ratings and tools, for use by the portfolio management team when considering the fund's investment objective, risk within the portfolio, and the implications for ongoing monitoring of holdings.

Responsible investment factors considered by the Investment Manager's research analysts and personnel include assessment of exposure to – as well as management of – environmental, social and governance ("ESG") risks including those relating to climate change, and instances of involvement in operational controversies. For example, when evaluating an issuer's overall exposure to climate risk, research personnel may consider the implications of an issuer's transition away from carbon-intensive activities and its ability to adapt accordingly, as well as the issuer's potential exposure to the physical risks of climate change, arising from its operations, supply chain or market risks. Issuer-level analysis focuses on material, industry relevant ESG factors, offering the Investment Manager insight into the quality of a business, as well as its leadership, focus and operating standards assessed through an ESG lens. The Investment Manager incorporates this and other external research into ESG ratings and reports via tools it has developed for that purpose and utilizes such information when making investment decisions for the fund.

Further, as applicable, the Investment Manager's research considers any flags around issuers' operations in accordance with international standards such as the UN Global Compact, the International Labour Organisation core labour standards and the UN Guiding Principles for Business and Human Rights. These factors may provide insight into the effectiveness of the risk management oversight of an issuer's sustainability practices and external impacts.

The Investment Manager may also seek to manage sustainability risks and impacts of an issuer through its stewardship efforts, and where appropriate, through its exercise of proxy voting rights. In accordance with applicable law, the fund's portfolio management and responsible investment analysts may determine to engage an issuer in dialogue regarding its sustainability risk management practices.

SUSTAINABILITY RISK INTEGRATION: MULTI-ASSET FUND

Within the Multi-Asset Fund, there are a number of underlying investments including but not limited to funds managed by Columbia Threadneedle and its affiliates and direct holdings. Consideration of sustainability risk is integrated into selection of the underlying investments, be they direct or through other funds, and at the overall Fund level.

Where Funds invest in other funds managed by affiliates of the Investment Manager, the process for managing sustainability risk at the

Fund level is as described above (see Sustainability Risk Integration for each of the underlying asset class).

Where Funds gain exposure to securities directly, rather than through other funds, integration of sustainability risk is considered in security selection in the same way as described above for equity and fixed income funds.

The aggregate sustainability risk exposure across the underlying funds is measured and collated at the Fund level and then compared against the other Columbia Threadneedle multi asset funds actual asset allocation at the end of the month for comparison purposes. To explain this, if a multi asset fund at the end of the month has invested in three different internal funds (UK equities, US equities and UK Corporate Bonds) in equal proportions then the comparison will be the collated internal fund sustainability risk v the underlying funds benchmark (so in this case FTSE All-Share Index, S&P 500 Index and iBoxx Sterling Non-Gilts) for comparison purposes.

SUSTAINABILITY RISK INTEGRATION: PROPERTY FUND

The Investment Manager considers sustainability risk factors across each of the five core areas of Columbia Threadneedle group's real estate business as set out below. A key focus within this is to understand and mitigate the potential physical and transitional risks of climate change, given its significance to the asset class. This is achieved by undertaking management activities in accordance with the Investment Manager's Responsible [Property] Investment Policy Statement, which seeks continual improvement in responsible investment performance across business operations.

- 1) **Property Investment** – when assessing any new property investment, the Investment Manager's standard due diligence protocol requires all buildings to be comprehensively surveyed prior to purchase. Consideration is given to a wide range of factors including energy performance (Energy or Sustainability audits)/minimum energy standards, environmental risks/impact (including flood risk), climate impact, and areas for potential improvement in terms of sustainability performance. The contents of each report inform the financial modelling undertaken on the property (as appropriate) and form part of the property risk matrix which is handed over to the property management team on completion of each acquisition.
- 2) **Asset Management** – when developing and implementing building specific asset management strategies, the Investment Manager's activities should promote environmental, sustainability and health and wellbeing best practices, and energy, water and waste efficiencies. Building strategies should encourage both occupier engagement and community engagement opportunities, where appropriate, and introduce data sharing and co-operation clauses into new leases, to enable the monitoring of operational energy, water and waste consumption, again where appropriate. Consideration must be given to the cost and timing of undertaking

any physical improvements to buildings at lease events, where financially viable to do so.

- 3) **Refurbishment** –TPSL’s Refurbishment Guide (the “**Guide**”) promotes the use of high sustainability standards within any new refurbishment, subject to balancing the specification of works against the return on capital invested. The Guide is provided to project managers and contractors as part of a project brief to minimise environmental and social impacts on site and to maximise the creation of economic opportunities in the local community, where applicable. All construction projects incorporate a set of minimum requirements relating to environmental management, building quality and flexibility, health and well-being, energy efficiency, transport, water, building materials, waste management, ecology and pollution. In addition, all major projects should incorporate the additional requirements set out in the Guide, as long as it is economically viable to do so.
- 4) **Property Management** – the Investment Manager supports its external managing agents in delivering against key performance indicators (“**KPIs**”), which include carbon emissions reductions, energy and water usage improvement, prevention of pollution and/or minimisation of waste.
- 5) **Health and Safety, Risk and Governance** – the Investment Manager ensures health and safety risks for all properties are correctly identified and managed. In order to meet responsibilities and protect the wider community, inspections are conducted regularly and oversight is ensured through monthly reporting, meetings with the agents and independent annual audits. The Investment Manager complies with the Corporate Responsibility policy (which addresses diversity, Inclusion and the Modern Slavery Act), and the Anti-Bribery and Corruption policy.

In addition, to identify and monitor climate change risks, the Investment Manager works with insurers to obtain enhanced flood data on every asset and a flood risk rating, which is reviewed on an annual basis in order to monitor any change.

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