Threadneedle Pensions Limited, Property Fund

Quarterly Report as at 31 December 2024

For Existing Investors only

Contents

Mandate Summary

Contact Information

Fund Manager	**Robin Jones**
Client Director Property	**James Allum**
Institutional Client Director	**Moira Gorman**
Institutional Client Director	**Andrew Brown**
Central Contacts:	
Client Services Team	**clientservices@ columbiathreadneedle.com**
Consultant Relations Team	**consultantteam@ columbiathreadneedle.com**

Mandate

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.

Fund Information

Total Assets	GBP 1,368 million
Benchmark	MSCI/AREF UK All Balanced Property Fund
Base currency	GBP
Reporting currency	GBP
Quoted price *(Currently Bid)	6.9022
NAV	6.9915
UK pooled pension property fund	
Accumulation Units	
Prices and deals every UK business day	

Source: Columbia Threadneedle Investments

*Semi-swinging single price.

Quoted price and NAV are based on share class C (AMC of 0.75%) as at 31 December 2024

Portfolio highlights

NAV
£1.368 billion

Properties
150

Average lot size
£9.0 million

Gross rent roll
£87.0 million p.a.

Tenancies
848

Cash
1.8% (6.3%)*

Vacancy rate
£10.8m / 10.2%
(11.8%)

WAULT
4.3 years (6.5 years)

GRESB Rating
77/100

%NIY

Net Initial Yield
6.0% (5.1%)

%EY

Equivalent Yield 8.0%
(7.1%)

Total Return
+5.0% (+5.4%)*
(12 months)

Past performance is not a guide to future returns. Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index (figures in brackets) and *MSCI/AREF All Balanced Property Fund Index. Cash is net debt % NAV. Total return is 3-month net fund NAV to NAV return. All as of 31 December 2024. WAULT is an abbreviation of weighted average unexpired lease term. It is used by property companies as an indicator of the average remaining life of the leases within their portfolios.

Market Context

Economy

The UK economy demonstrated strong growth in 1H24 but experienced a noticeable slowdown in 3Q24, with revised quarterly GDP growth of 0.0% weighing heavily on overall annual performance. However, the outlook for late 2024 and 2025 is more optimistic, with initial estimates forecasting 0.1% growth in 4Q24 and 1.1% in 2025. Despite this anticipated recovery, economic activity will likely face challenges from fiscal policies and the delayed effects of past monetary tightening. The Chancellor's October budget marked a shift toward looser fiscal policy, with increased public spending supported by higher employer National Insurance Contributions (NICs). However, given the UK's debt dynamics, additional fiscal tightening is expected, and the NIC rise may negatively impact employment and business investment.

UK inflation recorded 2.5% in December, down from 2.6% in November which was largely due to lower-than-expected services inflation. Market expectation does however anticipate inflation to rise again and remain elevated throughout 2025. The positive impact of falling energy prices, which had helped to ease inflation, is starting to fade and will likely disappear by spring. Additionally, base effects on core goods prices will push core inflation higher. The April increase in employer NICs, combined with the strengthening US dollar, will further contribute to keeping headline inflation elevated and place additional pressure on household spending power.

The MPC voted 8-1 to cut base rates by 25bps to 4.75% in November, reaffirming its commitment to a cautious and gradual approach to cuts. In the short-term these cuts are expected to provide relief to the corporate sector, where debt is predominantly tied to floating rates or short-term fixed maturities. However, the delayed effects of previous rate hikes will continue to impact households, with many borrowers facing significant increases in interest payments as they refinance low-rate fixed deals in the current higher-rate environment.

The unemployment rate recorded 4.4% in the three months to November, a 0.1% increase from the level recorded in the three months to October. Broader economic indicators also suggest that labour market conditions are beginning to ease, with wage growth expected to moderate in the coming year as higher employer NICs dampen workers' bargaining power. Accordingly, several business surveys have shown a sharp fall in the outlook for employment since the announcement of the UK Budget. This is being reflected in a deterioration in consumer confidence with recent data from the British Retail Consortium revealing that consumer expectations for the economy over the next three months declined to -34 in January (from -27 in December). According to the ONS, UK retail sales also fell in December by 0.3%, well below expectations of a 0.4% rise, with food sales declining to their lowest level for more than 10 years.

UK GDP, interest rates, CPI and unemployment (monthly, %)

Source: Columbia Threadneedle Investments, Oxford Economics (forecast economic data), MSCI UK Monthly Property Index, as at 31 December 2024. ONS data as at date stated.

Market Context

Occupier Market

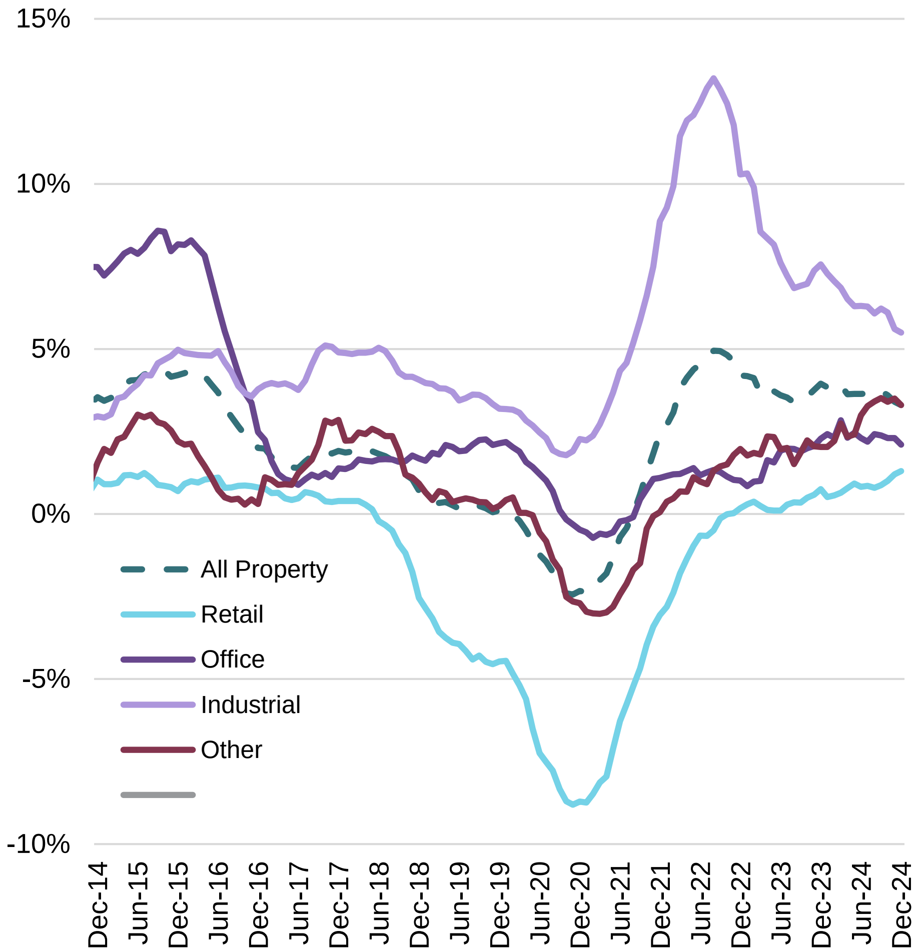
All-Property rental value growth in 4Q24 recorded c.0.9% (c.3.3% on a 12-month basis), unchanged from 3Q24. The residential sector was the largest contributor to overall growth, recording c.1.9% in 4Q24 (7.9% on a 12-month basis) however this reflects a decrease on the c.3.1% recorded in 3Q24. Despite this quarterly decline, the underlying fundamentals of the sector remain strong, supported by the ongoing shortage of high-quality housing stock and steady demand driven by population growth and urban migration. Long-term drivers such as the structural undersupply of housing continue to support positive rental trends, especially as development pipelines remain limited, keeping supply constrained

In 4Q24, industrial rental growth recorded c.1.5% (c.5.5% on a 12-month basis) reflecting a marginal increase on the c.1.4% recorded in 3Q24. Despite vacancy rates trending upwards, this follows a period of historical lows and further rental value growth is expected due to the constrained development pipeline and strong demand for suitable space amongst occupiers. Increased competition amongst occupiers for best-in-class space that can offer the strong ESG credentials required to meet corporate agendas, alongside the restricted development pipeline will likely cause further market polarisation and broaden the gap that exists between prime and secondary space.

In 4Q24 rental value growth within the retail sector recorded c.0.7% (c.1.3% on a 12-month basis), above c.0.4% in 3Q24. Growth was recorded across all retail sub-sectors however was primarily driven by retail warehousing. The retail warehousing sector continues to demonstrate strong occupational demand, with significantly lower vacancy rates that those recorded across the high street and shopping centre sub-sectors. In 4Q24, rental value growth for retail warehouses recorded c.0.9% (c.2.1% on a 12-month basis), above c.0.6% in 3Q24 as resilient footfall and sustained occupier demand continues to place upward pressure on market rents. The shopping centre sub-sector recorded rental value growth in 4Q24 at c.0.3% (c.-0.3% on a 12-month basis), a notable decrease on c.0.8% in 3Q24.

Office rental value growth in 4Q24 recorded c.0.4% (c.2.1% on a 12-month basis) in line with 3Q24. Central London West End & Midtown was the strongest performing sub-sector recording growth of c.1.0% in 4Q24 (c.5.4% on a 12-month basis) with the South East offsetting this growth with rental value decline of c.0.3%. The gap between rents for prime and secondary office space is widening as occupiers increasingly focus on securing top-tier, amenity-rich properties. Tenants are prioritising lease flexibility and spaces that support the hybrid working models that have become more established over the last five years. This polarization highlights the growing preference for well-located, high-quality assets, leaving secondary spaces to face weaker demand and declining rents.

UK property market rental value growth (year-on-year, %)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 December 2024

Market Context

Investment Market

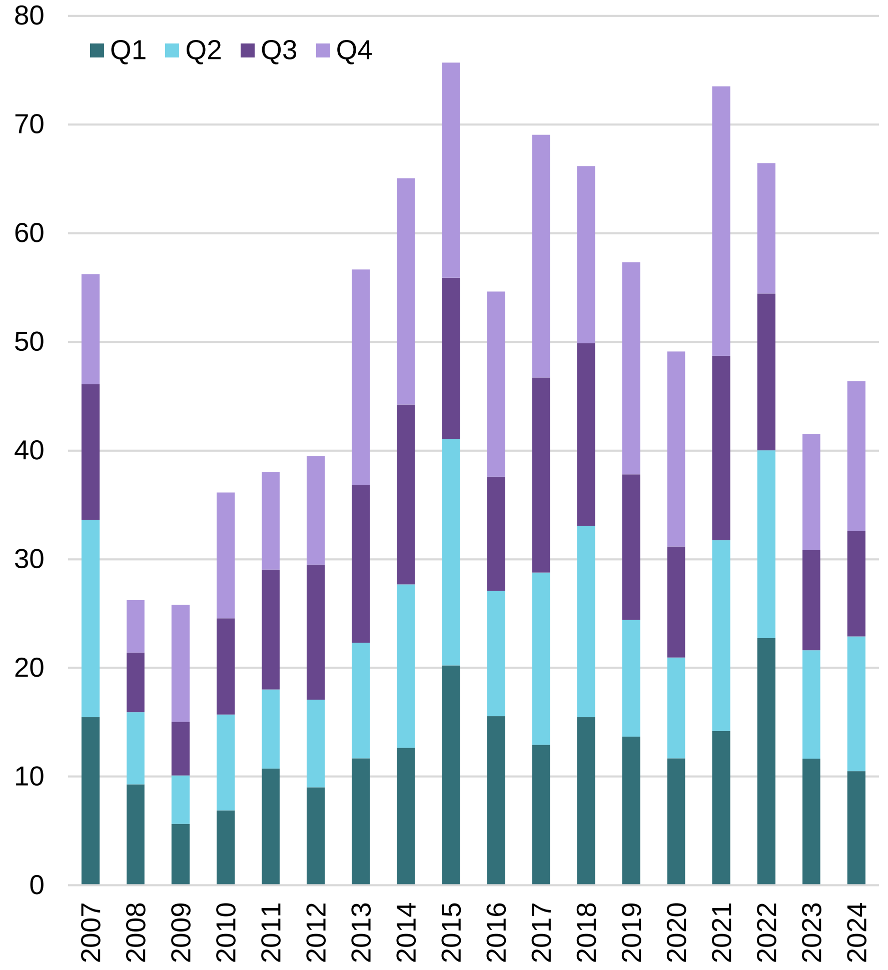
Preliminary estimates for 4Q24 saw £13.8BN invested into UK commercial property, marking a c.50% increase on 3Q24 and bringing total annual volumes to c.£44.8BN, a c.22% increase on 2023. Transactional volumes increased in the second half of the year, recording c.£23.1BN in 2H24, an increase on the c.£21.7BN recorded in 1H24 as interest rates began to decline, reflecting growing optimism in the market. Investment between sectors continues to remain polarised with resilience in the industrial and hotel sectors, contrasting with ongoing challenges in some office and retail properties due to structural challenges.

The industrial sector dominated 4Q24 investment volumes, recording c.£3.8BN, c.51% above 3Q24 volumes and representing c.28% of total 4Q24 volumes. Improved access to debt, a constrained development pipeline, and limited availability of high-quality assets intensified competition, driving capital into the sector. The 4Q24 retail investment volumes increased to c.£2.8BN in 4Q24, c.56% above 3Q24 volumes and representing c.20% of total 4Q24 volumes. This growth reflects heightened investor interest in income-generating assets, particularly retail warehousing, a sector which benefits from near-historic low voids rates and robust occupier demand. Investment volumes in the office sector for 4Q24 recorded c.£2.8BN, c.25% above 3Q24 volumes and representing c.20% of total 4Q24 volumes. Activity within the sector remains focussed on best-in-class, amenity rich assets which continue to benefit from robust occupier demand.

The hotel sector recorded c.£1.4BN in 4Q24, c.69% above 3Q24 volumes and representing c.10% of total 4Q24 volumes, primarily driven by strong recovery in corporate travel across both London and UK regional markets. Additionally, the data centre market has garnered increased interest, with real estate and infrastructure investors converging as demand for data centres and energy infrastructure continues to grow, blurring the lines between traditional real estate and infrastructure investments.

Looking ahead over 2025, investment volumes should continue to be supported by a gradual reduction of interest rates, particularly in the industrial and living sectors, which continue to demonstrate strong occupational fundamentals. However, near-term macro-economic volatility may call into question the resilience of occupational demand and so may temper investment volumes somewhat until greater clarity can be achieved.

UK investment volumes (GBP bn)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 December 2024, MSCI Real Capital Analytics Q4 2024 Preliminary Data.

Market Context

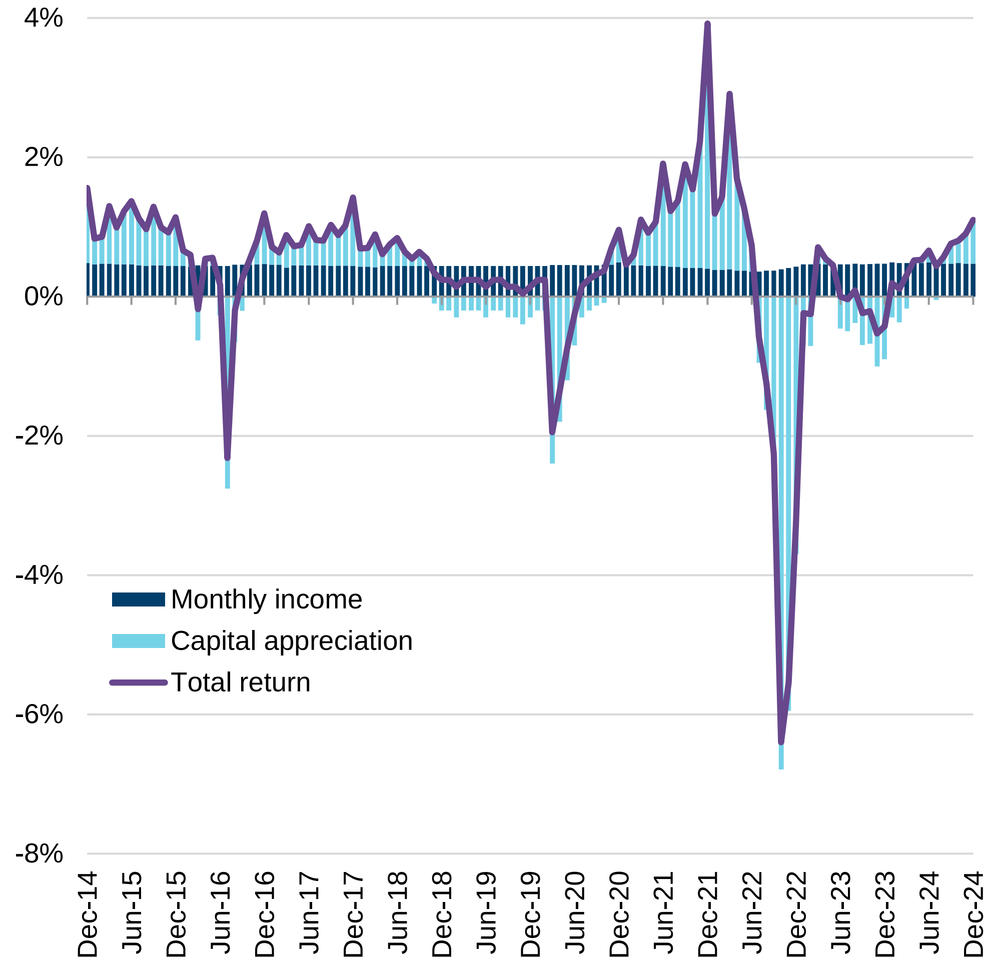
Returns

In 4Q24, total returns for the UK commercial property market recorded c.2.8%, (c.7.0% on a 12-month basis) increasing from c.1.8% recorded in 3Q24 and comprising capital value growth of c.1.3% (c.1.1% on a 12-month basis) and an income return of c.1.4% (c.5.9% on a 12-month basis). Income remained unchanged over the quarter compared to 3Q24 however it is expected to remain the core component of total returns, with further capital growth likely to be limited, at least in the short to medium term.

The industrial sector was the strongest performing sector in 4Q24 which recorded a total return of c.3.6%, (c.9.2% on a 12-month basis) above the c.2.3% recorded in 3Q24. Income returns for industrials recorded c.1.2% (c.5.1% on a 12-month basis) whilst capital value growth recorded c.2.3%, (c.3.9% on a 12-month basis) significantly above the c.1.1% recorded in 3Q24 as improvement in investment and lender appetite improved market pricing. Strong fundamentals such as the need for last-mile logistics and supply chain restructuring have sustained investor demand within the sector. The strong occupational fundamentals alongside a constrained development pipeline continue to drive investor confidence in rental growth prospects.

The retail sector delivered a total return of c.3.5% in 4Q24, (c.10.4% on a 12-month basis) increasing from c.2.2% recorded in 3Q24. Income return remained unchanged over the quarter at c.1.8%, (c.7.2% on a 12-month basis) while capital value growth improved, increasing to c.1.7% in 4Q24 (c.3.0% on a 12-month basis) from c.0.5% in 3Q24. Amongst the retail sub-sectors, retail warehousing showed the strongest performance, delivering a robust total return of c.4.0% in 4Q24, (c.12.5% on a 12-month basis) with a core income return of c.1.7% (c.7.0% on a 12-month basis) and capital value growth of c.2.3% in 4Q24 (c.5.2% on a 12-month basis). Retail warehousing continues to benefit from strong occupier demand and near-historic low void rates. Shopping centres followed closely, with a total return of c.3.7%, (c.10.5% on a 12-month basis) which was largely driven by an income return of c.2.5% (c.9.7% on a 12-month basis) following the sustained period of capital value rebasing witnessed by the sector over the past 5 years. Shopping centres recorded capital value growth of c.1.2% in 4Q24 (c.0.8% on a 12-month basis).

UK commercial property monthly total returns



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 December 2024.

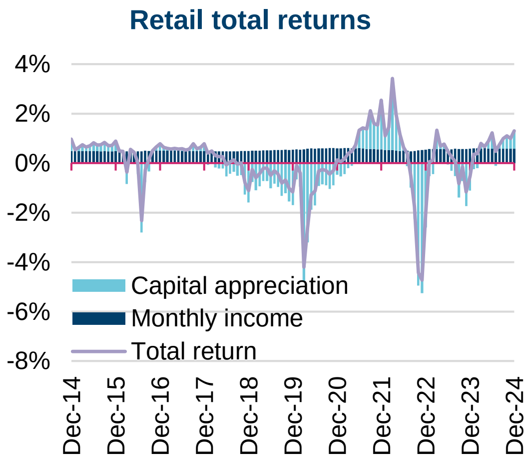
Market Context

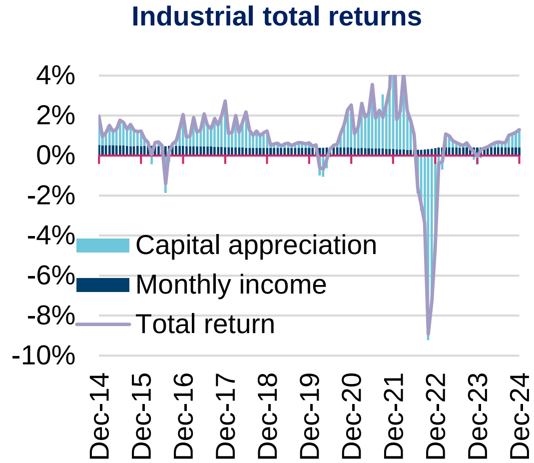
Total returns in the office sector remained positive in 4Q24 at c.1.0% (c.-0.2% on a 12-month basis), above the return of c.0.4% in 3Q24. The continued shift towards a hybrid working model is reducing long-term demand for traditional office space, contributing to the ongoing structural challenges faced by the sector.

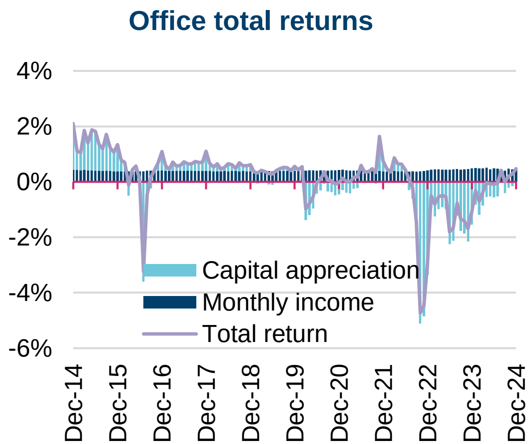
The improvement in total returns was driven by a reduction in the rate of capital values declines which recorded c.-0.3% in 4Q24 (decline of c.-5.7% on a 12-month basis) compared to a decline of c.1.0% in 3Q24. Best-in-class office space, characterised by those assets in prime locations with strong amenities and exceptional ESG credentials, evidence more resilient occupier demand which is helping to partially offset broader sector weaknesses through continued rental growth (e.g. London West End & Midtown rents grew c.1.0% in 4Q24).

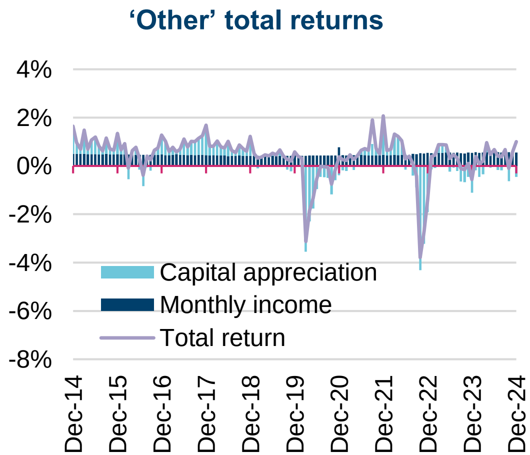
The 'Other' sector, which includes residential, student housing, healthcare, and hotels, recorded a total return of c.1.3% in 4Q24 (c.5.5% on a 12-month basis), a marginal decrease on the c.1.4% recorded in 3Q24. The total return consisted of a c.1.7% income return (c.7.0% on a 12-month basis), while capital values recorded a decline of c.0.5% (c.-1.4% on a 12-month basis). The strongest performing sub-sector was hotels with a total return of c.3.1%, followed by residential which recorded a total return of c.2.2%. The 'Other' sector has become an increasingly significant component of the Index, growing from c.3% to c.10% over the past decade, as investors look to capitalise on demographic shifts, such as the growing demand for healthcare and residential facilities.

The All-Property net initial yield at the end of December 2024 was c.5.3%, reflecting marginal compression from the c.5.5% in September. The equivalent yield remained stable at c.7.1%. Further yield stabilisation is expected as interest rates are reduced, and lending conditions improve.









Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 December 2024.

Market Context

Outlook

Looking ahead over the next 12 months, the UK commercial real estate market has the potential to offer some exciting opportunities for investors, despite ongoing macro-economic uncertainty. With structural drivers maintaining resilient rental growth in key sectors, strategic investors may have the opportunity to acquire assets at attractive/rebased capital values to drive outsized returns over the medium term.

The improving interest rate environment, combined with the relative inactivity of the past two years, is expected to encourage investor activity, creating liquidity for those needing to meet redemptions or debt obligations. Moreover, UK defined benefit pension funds may continue to dispose of assets as they transition towards buyout positions.

The logistics and living sectors remain top performers, driven by e-commerce expansion, supply chain reconfigurations, and a persistent shortage of quality residential properties. These sectors are underpinned by long-term fundamentals, such as population growth and migration in key regions. Retail, particularly value-oriented retail warehousing, is also regaining interest as it aligns with changing occupational trends and omni-channel strategies. The office market offers selective buying opportunities, particularly for high-quality, prime assets at or near the bottom of the market, but rental income must justify the high replacement costs. Across sectors, the demand for quality assets remains strong, further amplified by a slowdown in new developments, creating a scarcity of premium stock in the UK market.

A two-tier recovery is expected, with certain sectors outperforming others, providing specialised investors the opportunity to capitalize on these market dynamics. Investors with deep sector knowledge and creative, counter-cyclical strategies - such as securing planning for strategic land or repositioning assets through refurbishment - will be well-positioned to take advantage of the evolving market landscape.

As the market adjusts to the macro-economic setting, following a period of volatility, transaction volumes are expected to rise, supported by falling interest rates that make debt financing more accessible. Stock selection and proactive asset management will be critical to maintaining asset relevance and unlocking value. Success will depend on identifying functionally relevant assets in key growth sectors and implementing strategic management plans to protect and create value.

Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 December 2024.

Market Context

Global perspectives into practice
Key sector metrics as at end December 2024

Trending key:
- Strengthening
- Stable
- Weakening

	Industrials	Offices	Retail	Alternatives
Headlines	Positive rental continues but at a slower pace as nationwide the vacancy rate rises	Polarisation between prime and secondary quality assets and markets intensifies	Strong demand translating into rental growth and modest yield compression for retail warehouses	Lack of supply and regulations slowing development of residential and PBSA
Vacancy* (By Market Rent)	9.4%	24.9%	6.3%	1.6%
Rental Growth* (Annualised)	5.5%	2.1%	1.3%	3.3%
Prime Yield Pricing** (Net Initial Yield, rack rented)	Distribution 5.25%	London (City) 5.75%	Warehouse 5.50%	Student 5.00%
	Multi-let 5.00%	Regions 6.50%	High Street 6.75%	Leisure 8.00%
Allocation	Favour multi-let and mid-box logistics. Neutral big-box distribution	Highly selective: favour urban centres with good amenity and accessibility	Favour out-of-town warehouses / parks with repositioning potential	Favour, strategic land, 'meds' and residential including student housing

£ **Finance***:**
5-year Gilt: 4.4%
5-year Swap: 4.1%

% **Real estate*:**
NIY: 5.3%
EQV: 7.1%

Spread: 2.7%
(5-year Gilt to EQV)

Source: *MSCI UK Monthly Property Index (Alternatives data is unweighted average Hotels, Residential, Other), as at 31 December 2024. **CBRE Prime Yields and trends, December 2024.Trends against average of prior 6-months (+/- <0.25% denotes stable). *** JLL, as at 31 December 2024.

Fund Overview – Q4 2024

Portfolio Activity

During Q4 2024, the Threadneedle Pensions Limited Pooled Property Fund (TPEN PF) made 4 strategic asset sales with an achieved total sales receipt of c.£20.8m. No asset acquisitions were concluded during the quarter.

Extracting latent value through active asset management initiatives remains a critical focus for TPEN. A total of 147 new lettings/lease renewals were successfully completed in the 12 months to the end of Q4 2024, with a combined rental value of c.£11.6m per annum. Importantly, TPEN PF continues to maintain high levels of occupier retention at 'tenant break options', with just 15 out of 105 options being exercised (c.86% retention rate). As a direct result of new letting activity (expiry of rent-free periods) and fixed rental value increases, the total rent generated by TPEN PF's property portfolio is set to increase by a further c.£1.1m per annum over the next 12 months.

Rent Collection

As a result of the work undertaken by the Fund's asset and property managers, rent collection for Q4 2024 (as at Day 14) stands at 90.8%. For the previous quarter (Q3 2024) rent collection was c.99.4%. TPEN PF continues to work with occupiers on a case-by-case basis to agree appropriate strategies for rent collection, having regard both to UK government legislation, industry guidance, and the cash flow position of occupiers' businesses.

Liquidity Management

As at end of Q4 2024, TPEN PF's liquidity position was c.£49.6m, equivalent to c.3.6% of net asset value (NAV), excluding debtors and creditors. The fund is currently targeting a number of strategic sales which will increase its liquidity in line with target (10%).

A Redemption Deferral Policy (the Policy) for TPEN PF was enacted, effective for investor dealings from 3 October 2022 to protect all investors' interests as a result of the volatility in the investment market since September 2022. The Policy takes into account the differing liquidity requirements of the fund's Defined Contribution (DC) and DB investor base and will be operated in a way that is appropriate and fair to each type of investor. The aim of the Policy is to defer investor redemptions, pricing and settling monthly, on a "first come, first served" basis but permitting "regular" (i.e. normal course of business) DC redemptions to be priced and settled on a daily basis in accordance with standard terms. The manager continues to monitor liquidity closely as a means of protecting the fund against the prevailing market volatility.

Performance

In Q4 2024 TPEN PF generated a total return of 1.9%, 0.5% below the MSCI/AREF UK 'All Balanced Open-Ended' Property Fund index (the benchmark) weighted average total return of 2.4%. For the year ending 31 December 2024, the TPEN PF generated a total return of +5.0%, below the benchmark return of +5.4%. Over the medium to long term, the TPEN PF has delivered annualised total returns against the benchmark of -2.0% versus -2.0% over three years; 2.3% versus 2.1% over five years and 4.4% versus 4.3% over 10 years.

Source: MSCI/AREF UK Quarterly 'All Balanced Open-Ended' Property Fund index, as at 31 December 2024. Weighted average return statistics are measured at fund level (NAV to NAV, net of fees) and take into account cash holdings.

Attribution

During the 12 months ending 31 December 2024, TPEN PF's directly held property assets (excluding property hold costs and cash) generated a total return of 6.9%, outperforming the broader property market on a relative basis by +0.4% (as represented by the MSCI UK Monthly index – unfrozen). This was achieved through a positive relative income return of +1.0% and negative relative capital value performance of -0.6%. TPEN PF's retail assets marginally underperformed the wider market by -0.3%, delivering a total return of 9.6%. Offices outperformed by +4.3% relative to the market, producing a total return of +2.6% over the previous 12 months. TPEN PF's proactive approach to the capital expenditure, required to retain and enhance the long-term value of its core office portfolio, is evidenced by these figures. TPEN PF's industrial assets delivered a total return of 8.4%, marginally underperforming the market by -0.6%, with relative capital value performance to the market of -1.6% over the previous 12 months.

Source: MSCI UK Monthly Property index (unfrozen) and TPEN PF's directly held assets compared to the MSCI UK Monthly Property index – December 2024).

Outlook

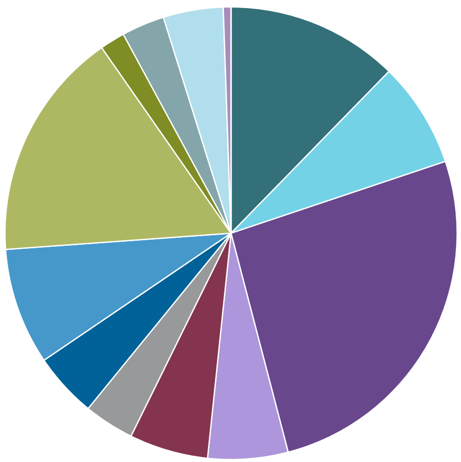
Looking ahead over the next 12 months, the UK commercial real estate sector offers promising opportunities for investors, despite ongoing macro-economic uncertainty. Strategic investors are able to enter the market at attractive valuations, with resilient rental growth expected to drive modest capital value increases in preferred sectors. Total returns will continue to primarily be supported by income.

Columbia Threadneedle Investments believes TPEN PF is well-positioned to deliver strong long-term total returns through proactive asset management of property assets to achieve a high, sustainable income yield from a diverse range of tenants and assets. High conviction sectors such as industrials and retail warehousing will continue to benefit from the long-term structural trends as well as continued supply-chain reconfiguration and e-commerce expansion. A robust occupational market characterised by sustainable rental income and low vacancy rates will continue to support growing returns on a relative basis.

TPEN PF's property assets currently offer a net initial yield of 6.0% against 5.1% offered by the MSCI UK Monthly Property index as at end December 2024. The Fund's strategic overweight positions in industrials and retail warehouses should continue to provide a solid foundation for outperformance over 2025.

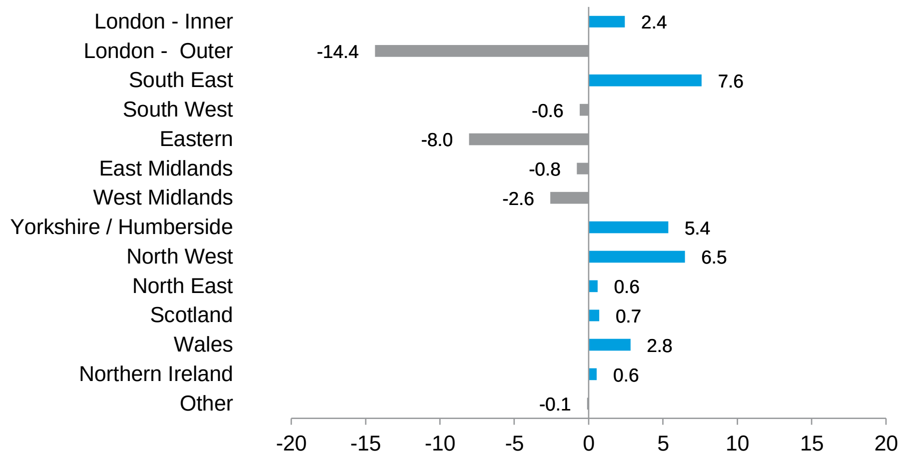
Property portfolio sector and geographical positioning

Property portfolio weighting – geographical split

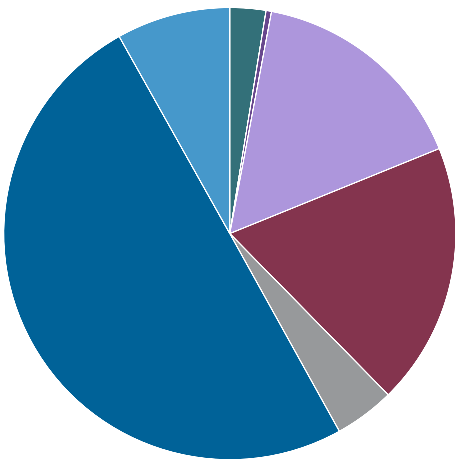


London - Inner	12%
London - Outer	8%
South East	26%
South West	6%
Eastern	6%
East Midlands	4%
West Midlands	5%
Yorkshire / Humberside	8%
North West	16%
North East	2%
Scotland	3%
Wales	4%
Northern Ireland	1%
Other	0%

Relative portfolio weighting (%) versus MSCI Monthly Index

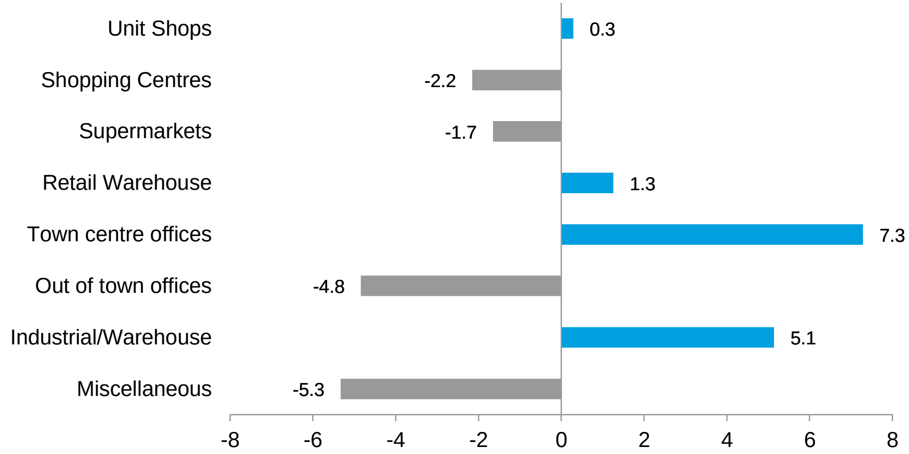


Property portfolio weighting – sector distribution



Unit Shops	3%
Shopping Centres	0%
Supermarkets	0%
Retail Warehouse	16%
Town centre offices	19%
Out of town offices	4%
Industrial/Warehouse	50%
Miscellaneous	8%

Relative portfolio weighting (%) versus MSCI Monthly Index

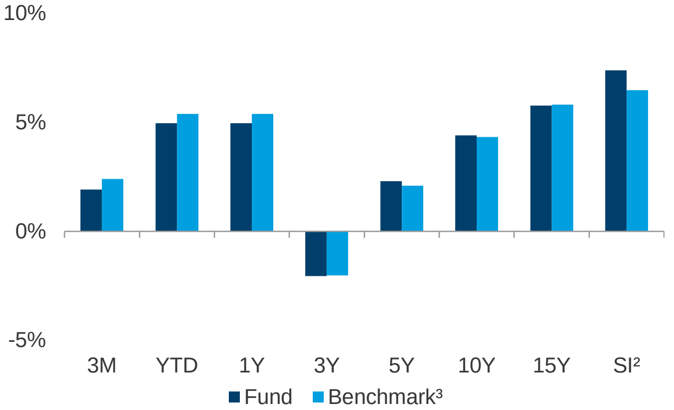


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 December 2024

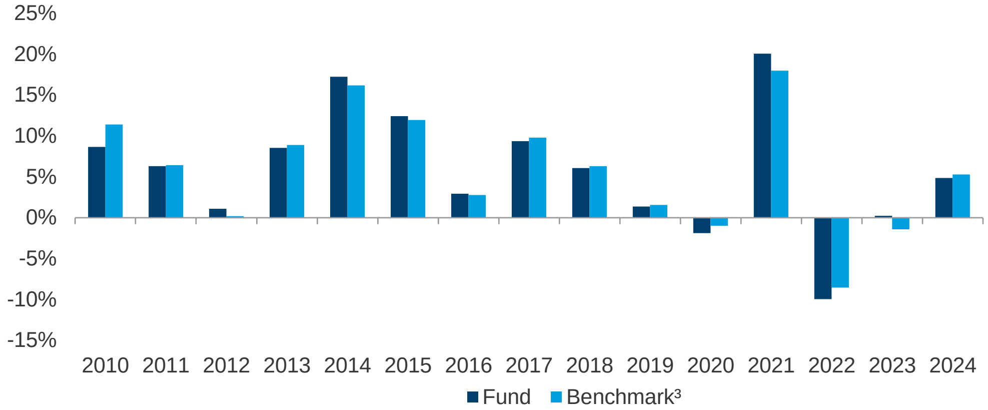
Fund Performance

Long Term Performance

Discrete periods[1]



Calendar Years



Fund Performance **Annualised Performance**

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	1.9	5.0	5.0	-2.0	2.3	4.4	5.8	7.4
Benchmark	2.4	5.4	5.4	-2.0	2.1	4.3	5.8	6.5
Relative	-0.5	-0.4	-0.4	0.0	0.2	0.1	0.0	0.9

Source: AREF/MSCI

* Since Inception – March 1995

** MSCI/AREF UK All Balanced Property Funds Weighted Average. Based on NAV to NAV (net of fees) from 1/01/2014. Historical returns are for information purposes only.

Notes: 1. Periods > one year are annualised.

2. SI = Since Inception.

3. Benchmark is MSCI/AREF UK All Balanced Property Funds Weighted Average. Based on NAV to NAV (net of fees). Historical returns are for information purposes only.

Columbia Threadneedle Investments was appointed investment advisor to the Trust in November 1998.

Source: Portfolio – Columbia Threadneedle Investments. Based on NAV to NAV (net of fees).

Top 10 Holdings and Tenants

Property

Location	Name	Sector	Lot size (£m)
Deeside	Deeside Industrial Park	Industrial / Warehouse	75-100
Chelmsford	Boreham Airfield	Miscellaneous	50-75
Watford	Penfold Works	Industrial / Warehouse	25-50
Sittingbourne	Spade Lane DC	Industrial / Warehouse	25-50
South Ockendon	Arisdale Ave	Industrial / Warehouse	25-50
Cambridge	Compass Hse, Vision	Out of Town Office	25-50
London EC1	29-35 Farringdon Rd	Town Centre Office	10-25
London EC1	Banner Street	Town Centre Office	10-25
Bristol	G Park, Next DC	Industrial / Warehouse	10-25
Thrapston	Thrapston Triangle	Industrial / Warehouse	10-25

Tenants

	% of rents passing
Next Group Plc	4.3%
Norton Group Holdings (The Range)	1.8%
Hanson Quarry Products Europe Limited	1.7%
Currys Plc	1.6%
Howard Tenens (North West) Ltd (TENENS PTC)	1.6%
Maryland Midco Limited (Matalan Retail)	1.5%
Wittington Investments Ltd (Primark Stores)	1.4%
GXO Logistics Inc.	1.3%
iForce Limited	1.3%
Avot Inversiones SL.	1.3%

Source: Columbia Threadneedle Investments, 31 December 2024

Investment Activity – Key Purchases and Sales Over Q4 2024

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
None				
Sales				
610 Centennial Park (Part Sale 010/015)	Q4 2024	Out of Town Offices	2.5-5	0
Gateshead, First Avenue, Team Valley	Q4 2024	Industrial/Warehouse	2.5-5	7.2
Equity House, Irthlingborough Road, Wellingborough	Q4 2024	Out of Town Offices	0-2.5	22.9
High Wycombe, Mercury Park	Q4 2024	Out of Town Offices	10-25.0	10.1

Source: Columbia Threadneedle Investments, 31 December 2024

Maintaining investment liquidity
Asset sales

- **13 assets sold totalling £62.0 million** (12-months)
- Investment liquidity remains positive for smaller lot sizes from private/propco investors
- Asset sales focussed on acceleration of existing non-core disposal programme (office and high street retail) complimented by select industrials/food stores capitalising on residual market liquidity
- Q4 24 saw four assets sold totalling £20.8 million
- Focus on repositioning portfolio towards high conviction sectors
- Illustrative sales include:
  - **Mercury Park, High Wycombe** £11.9 million / 10.1% NIY
  - **610 Centennial Park** £3.1 million / n/a
  - **Broadway, Wood Green** £4.7 million / 6.5% NIY
  - **Equity House, Wellingborough** £1.4 million / n/a



Outcomes		
	Financial	Assets identified for sale offered limited future performance potential or captured significant performance from asset management initiatives
	Environmental	Improvements required to drive meaningful environmental impact considered uneconomic
	Social	Sub-scale assets offered limited scope for meaningful social initiatives.

Source: Columbia Threadneedle Investments, as at 31 December 2024.Capital value and rental statistics quoted correct as at time of project completion but are subject to change. *Rent achieved is headline rent on expiry of tenant incentive periods

Realising latent value

Asset repositioning: monetising building improvements

Chester: Deeside Industrial Estate

- Construction of two new units (60,000 sq. ft & 40,000 sq. ft) to market leading standard, achieving EPC A+ and providing integrated PV panels
- Completed letting on Unit 63 at £7.95 per sq. ft exceeding original underwrite ERV by c.14%

London EC1: 2,946 sq. ft. office suite

- Completed refurbishment of common areas as well as office suit to provide market leading ‘ready to ‘occupy’ space.
- New letting secured above ERV within four weeks of works being completed

Penfold Works, Watford: 3,605 sq. ft. warehouse unit

- Completed new letting on unit Q3 following refurbishment of vacant unit at £16psf representing a 28% uplift on the previous passing rent

Crayford: 10,533 sq. ft. Industrial unit

- Comprehensive refurbishment including LED lighting and solar PV. Achieved EPC ‘A+’ rating (previously EPC C)
- Quoting rent represents a rental uplift c.9% on pre-refurbishment passing rent

Outcomes		
	Financial	Rents achieved on refurbishment projects represent uplifts in excess of c.9% on pre-refurbishment passing rents
	Environmental	Solar panels, removal of gas and introduction of EV charging typically deliver best in class EPC ratings
	Social	Projects used local contractors which directly supported local employment – as measured by National TOMs framework

Source: Columbia Threadneedle Investments, as at 31 Dec 2024. Capital value and rental statistics quoted correct as at time of project completion but are subject to change. *Rent achieved is headline rent on expiry of tenant incentive periods

Capturing rental growth
Completed letting and lease renewals

Thrapston Triangle: 151,200 sq.ft. warehouse unit

- Completed rent review with iForce Limited on 151,200 sq ft industrial unit
- Annual rent increased by 20.5% vs previous passing rent

Plymouth: 9,215 sq. ft. warehouse unit

- Surrender of lease agreed with previous Tenant in financial difficulty to unlock new 10-year lease with superior Tenant
- Rental uplift of c.12% achieved vs previous passing rent

Rotherham: 10,142 sq. ft. retail warehouse unit

- Completed lease renewal on unit 1 at £100k pa on a 5-year lease

Leeds: 19,143 sq. ft. office space

- New letting agreed on previously vacant space (c.60%+ building NIA) for a new 10-year lease to a leading educational occupier



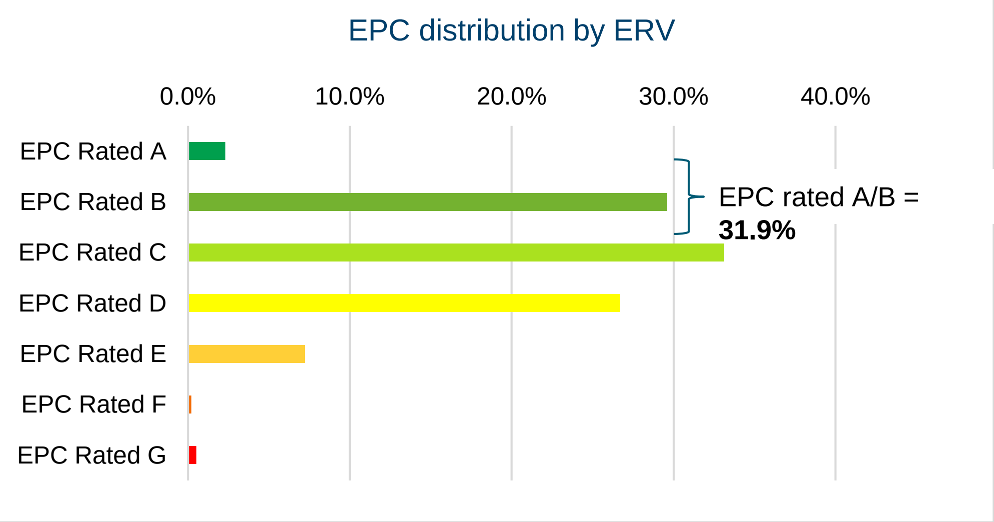
Outcomes		
	Financial	Combined rent secured from new lettings/renewals = £11.6 million p.a. Rental uplifts have generated significant like-for-like capital value uplifts over the period
	Environmental	Regears provide opportunity for tenant engagement to encourage green practices and data sharing
	Social	Leeds office let leading educational occupier providing social and educational services to local Universities

Source: Columbia Threadneedle Investments, as at Dec 2024. *Headline rent achieved is on expiry of tenant incentive periods

Responsible Investment: environmental
Sustainability Dashboard – key performance indicators

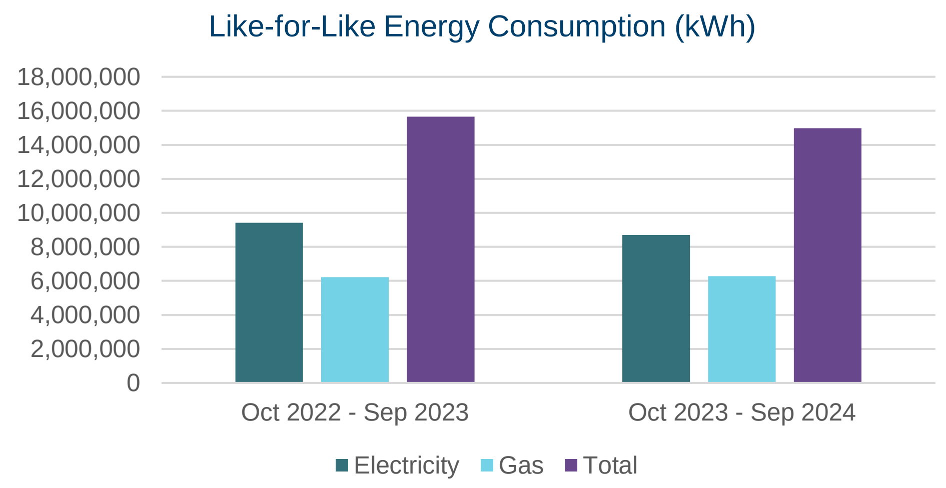
Property infrastructure: EPCs
Target EPC 'B' by 2030

Key performance metrics	
Portfolio coverage (whole portfolio, % ERV)	99.6%
Works projects completed (past 12 months)	18
Refurbishments delivering 'B' or better	93%



Property performance: Energy use
Target 20% reduction by 2030*

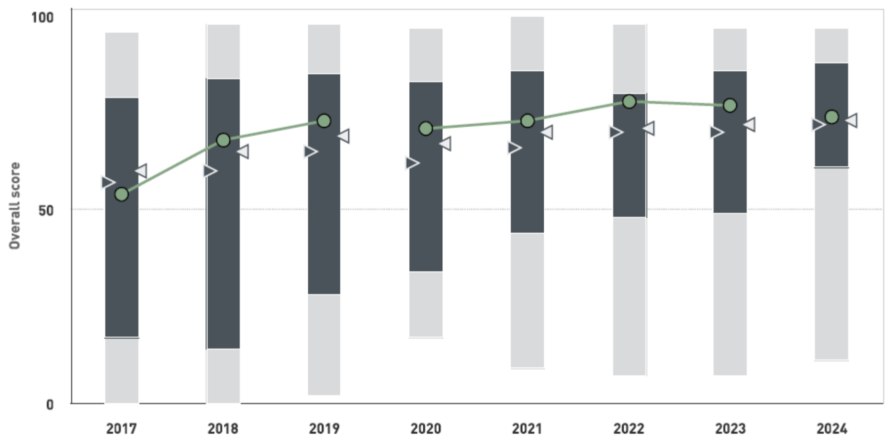
Key performance metrics	
Portfolio coverage (LL managed portfolio, % floor area)	97.3%
Energy consumption change L-f-L Y-on-Y	-4.2%
Energy consumption change vs baseline*	-15.4%



Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 31 December 2024. Refurbishments delivering EPC B or better expressed as % contract value excluding works which have no impact on EPC (e.g. redecoration). Energy data as at 31 December 2023. Portfolio coverage as % floor area. *Energy target and consumption change vs baseline expressed against 12-months to 31 December 2019 baseline, based on assets where we have operational control (the 'landlord managed portfolio'). Baseline subject to change as assets are sold from the portfolio and can no longer be included in the baseline calculation. Targets are indicative and are in no way a guarantee of performance. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only.

Responsible Investment: GRESB

Threadneedle Pensions Limited Pooled Property Fund 2024 GRESB results



Global Real Estate Sustainability Benchmark

Key takeaways

- Eighth year of the Fund’s submission to GRESB
- Scored 74 out of 100 (Peer Average = 75)
- Score Breakdown (vs Benchmark) – Environmental 36(38), Social 18(17), Governance 20(19).

Strengths

- Management scored 30/30 vs Benchmark 28/30
- Tenants & Community scored 11/11 vs Benchmark 10/11

Opportunities for improvement

- Increase energy, water and waste data coverage
- Building certification (note: inconsistent with Fund strategy) and technical building risk assessments for utilities

Source: Columbia Threadneedle Investments, as at September 2024. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners. Sustainability risks are integrated into the fund’s investment decisions making process for financial Risk Management purposes only. The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in its prospectus.

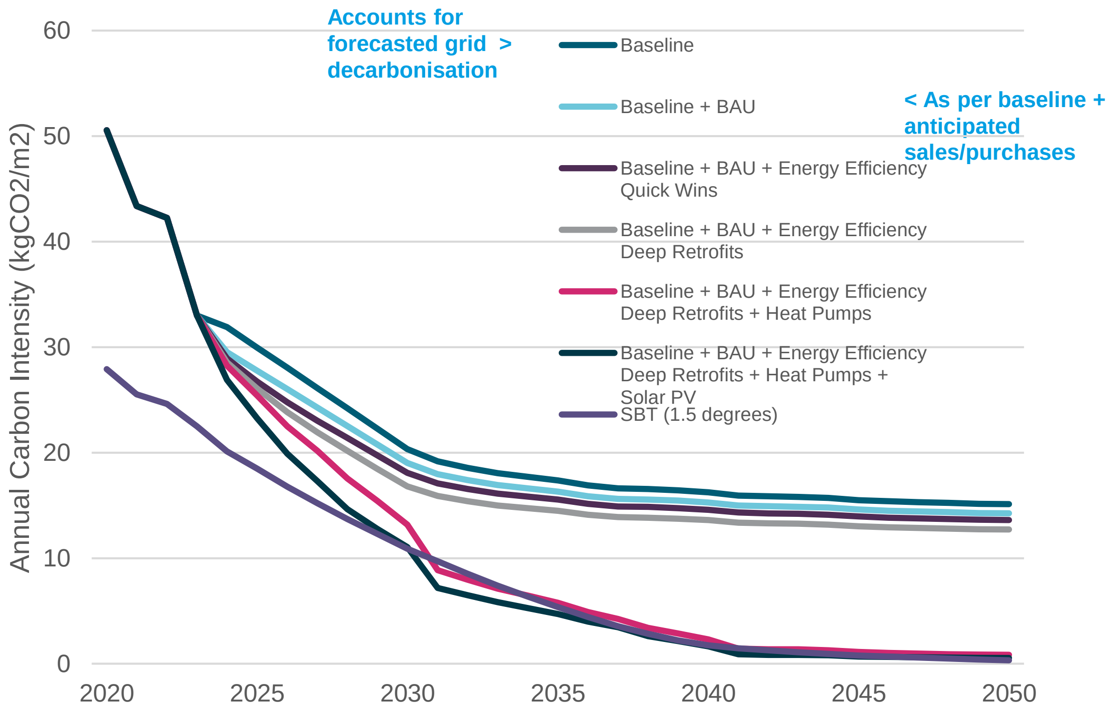
Responsible Investment: Net Zero carbon

Formally committed to operational Net Zero by 2040

Impact of interventions on energy use

Interventions	EVORA Modelled timeframe	EVORA Modelled cost	EVORA Modelled energy use change
Business as usual	2022-40	-	8%
Quick wins	2023-26	£0.9m	5%
Major asset refurbishment	2023-30	£19.1m	7%
Renewables (PV)	2023-30	£45.5m	23%
Electrification of heat	2023-45	£78.8m	24%
Cumulative cost & saving impact		**£144.3m / £9.0m p.a.**	**68%**
Offsetting	2040	N/A	N/A

Portfolio annual carbon intensity



- Net Zero pathway completed in October 2021 and updated February 2022 and February 2023 and April 2024
- Between 1Q18-4Q24 the Fund completed **157** capital projects investing over **£93 million** in building improvements
- Capital expenditure invested in 12 months to 31 December 2024 is approximately **£5.9 million**

Source: EVORA – TPEN Fund Decarbonisation Pathway, updated April 2024. Figures are based on modelled data subject to multiple assumptions which are subject to review and change. The Manager's environmental KPIs are to improve the environmental performance potential (EPCs) and lower the energy use and carbon intensity of its assets. Performance indicators are indicative and are in no way a guarantee of performance. The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in its prospectus.

Threadneedle Pensions Limited Pooled Property Fund

Portfolio EPC data (whole portfolio)

Target: MEES Regulations require minimum EPC 'C' by 2027 and 'B' by 2030

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Property assets	162	159	158	152	148
Rateable units	889	886	887	848	824
EPC coverage (% rateable units)	98.9%	99.0%	96.4%	98.8%	99.6%
EPC rated A (% rateable units)	1.6%	1.7%	2.1%	2.4%	2.3%
EPC rated B (% rateable units)	24.2%	25.3%	24.9%	27.0%	29.6%
EPC rated C (% rateable units)	33.7%	33.9%	32.7%	33.1%	33.1%
EPC rated D (% rateable units)	30.3%	29.6%	28.3%	28.2%	26.7%
EPC rated E (% rateable units)	8.4%	7.9%	7.6%	7.4%	7.2%
EPC rated F (% rateable units)	0.2%*	0.2%	0.2%	0.2%	0.2%
EPC rated G (% rateable units)	0.4%**	0.5%	0.6%	0.5%	0.5%

Source: Columbia Threadneedle Investments, based on % rateable units, as at 31 December 2024. * two units rated EPC 'F' and ** four units rated EPC 'G' are all located in Scotland which is subject to differing rating systems and regulations. Targets are indicative and are in no way a guarantee of performance. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only. The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in its KFD

Threadneedle Pensions Limited Pooled Pension Fund

Portfolio annual energy consumption data (whole portfolio)

	2018	2019	2020	2021	2022	2023
Property assets	287	282	274	259	169	158
Landlord managed assets (S/C)	117	117	114	112	87	83
Data coverage: landlord-managed assets (gross floor area)	86%	85.5%	89.3%	86.0%	92.7	97.7%
Total Landlord-Managed portfolio energy consumption – absolute	*Not measured explicitly prior to 2021*			23,884,957 kWh	37,130,189 kWh	60,608,168 kWh
Tenant managed assets (FRI)	170	165	160	147	82	75
Data coverage: tenant-managed assets (gross floor area)	13%	18.5%	19.9%	61.5%	85.7%	67.1%
Total Tenant-Managed portfolio energy consumption – absolute	*Not measured explicitly prior to 2021*			31,223,040 kWh	26,878,953 kWh	21,798,030 kWh
Data coverage: whole portfolio (gross floor area)	52%	54.5%	58.2%	78.3%	90.0%	84.8%
Total portfolio energy consumption – absolute	46,035,566 kWh (-1.43%)	52,388,890 kWh (14,24%)	32,900,067 kWh (-28.61%)	55,107,997 kWh (67.50%)	60,009,843 kWh (16.15%)	82,406,198 kWh (28.7%)
Total portfolio electricity consumption – absolute	33,461,837 kWh (-7.50%)	36,182,812 kWh (8.13%)	20,102,857 kWh (-44.44%)	37,083,099 kWh (84.46%)	39,540,481 kWh (6.6%)	51,557,369 kWh (30.4%)
Total portfolio gas consumption – absolute	12,573,729 kWh (0.34%)	16,206,078 kWh (28.39%)	12,797,210 kWh (-21.03%)	18,024,898 kWh (40.85%)	24,469,262 kWh (35.8%)	30,848,829 kWh (26.1%)

EVORA Notes:

- Increased total energy consumption is partly attributable to increased tenant data coverage across the portfolio
- Property Assets can transition between Landlord-Managed and Tenant-Managed between reporting years, contributing to changes in consumption between these asset classes in the portfolio

Source: Columbia Threadneedle Investments. All data as at 31 December unless otherwise stated. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods. All targets relate to assets where we have operational control (the ‘landlord managed portfolio’). Targets are indicative and are in no way a guarantee of performance

Threadneedle Pensions Limited Pooled Pension Fund

Portfolio greenhouse gas emission data (whole portfolio)

Target: 30% reduction in GHG emissions by 2030, where the landlord has operational control

	2018	2019	2020	2021	2022	2023
Property assets	287	282	274	259	169	158
Landlord managed assets (S/C)	117	117	114	112	87	83
Data coverage: landlord-managed assets (gross floor area)	86%	85.5%	89.3%	86.0%	92.7%	97.7%
Tenant managed assets (FRI)	170	165	160	147	82	75
Data coverage: tenant-managed assets (gross floor area)	13%	18.5%	19.9%	61.5%	85.7%	67.1%
Data coverage: whole portfolio (gross floor area)	52%	54.5%	58.2%	78.3%	90.0%	84.8%
GHG emissions – absolute (year on year % difference)	11,783 tonnes (-21.70%)	12,245 tonnes (3.92%)	7,041 tonnes (-42.50%)	11,171 tonnes (58.66%)	12,113 tonnes (8.4%)	16,320 tonnes (34.7%)

Source: Columbia Threadneedle Investments. All data as at 31 December unless otherwise stated. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods. All targets relate to assets where we have operational control (the 'landlord managed portfolio'). Targets are indicative and are in no way a guarantee of performance

Threadneedle Pensions Limited Pooled Pension Fund

Portfolio water and waste consumption data (whole portfolio)

Target: 100% data coverage, 100% diversion of waste to landfill and 75% recycling rate, where landlord has ops. control

		2018	2019	2020	2021	2022	2023
Property assets		287	282	274	259	169	158
Landlord managed assets (S/C)		117	117	114	112	87	83
Data coverage: landlord-managed assets (gross floor area)	Water	39.4%	32%	34.6%	32.1	60.4%	42.0%
	Waste	86.1%	33%	40.8%	26.9	53.3%	31.4%
Tenant managed assets (FRI)		170	165	160	147	82	75
Data coverage: tenant-managed assets (gross floor area)	Water	0	4%	14.3%	26.5	54.3%	36.8%
	Waste	0	4%	11.4%	15.6	50.3%	23.7%
Data coverage: whole portfolio (gross floor area)	Water	21.6%	22.0%	25.1%	36.5	58.0%	39.8%
	Waste	13.5%	26.8%	27.1%	21.8	52.1%	28.2%
Total water consumption – absolute		88,180 m3	232,058 m3	192,443 m3	71,530 m3	183,540	124,345 m^3
Total waste consumption – absolute		1,634 tonnes	3,247 tonnes	3,321 tonnes	1,740 tonnes	6,017 tonnes	25,860 tonnes

Source: Columbia Threadneedle Investments. All data as at 31 December unless otherwise stated. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods. All targets relate to assets where we have operational control (the 'landlord managed portfolio'). Targets are indicative and are in no way a guarantee of performance

Threadneedle Pensions Limited Pooled Pension Fund

Portfolio flood risk data (proxy climate change risk)

Portfolio risk exposure by value	2021	2022	2023	2024
Property assets	262	178	160	149
Low	200 (79.1%)	129 (77.1%)	115 (74.9%)	108 (76.5%)
Medium	52 (17.7%)	45 (21.1%)	42 (22.6%)	39 (21.5%)
High	6 (2.0%)	3 (0.8%)	2 (1.5%)	1 (1.0%)
Extreme	4 (1.3%)	1 (0.9%)	1 (1.0%)	1 (1.0%)

Extreme risk assets	High risk assets
World of Golf, New Malden (small element of site)	Darlington, Feethams

Source: Columbia Threadneedle Investments. All data as at 31 December unless otherwise stated. Notes: Flood Risk Assessments have been commissioned on residual two High / one Extreme risk assets – assessments have been reviewed by Fund's insurer. Physical Risk Screening Analysis undertaken November 2021 to compliment the above flood risk statistics and is available on request

Glossary of Terms

- **NAV:** The net asset value of the Fund will be calculated as at the last Business Day of each month (a "Pricing Day"). More details are available in the Key Features Document.

- **Bid/Offer Spread:** The bid/offer spread on units reflects the costs of buying and selling investments.

- **Semi-swinging single price:** Prices of units in the Funds are calculated on a semi-swinging single pricing basis and valued daily at midday. The price of a unit will be based on the value of the underlying investments of the relevant Fund subject to the charges applicable to the relevant Class and, normally, it will be at this price that units are allocated (purchased) or realised (surrendered). In certain circumstances, however, the price may be subject to further adjustment, as explained below. The actual cost of purchasing and selling a Fund's underlying investments may be higher or lower than the mid-market price used in calculating the semi-swinging single unit price. In such circumstance (e.g. as a result of large volumes of transactions), this may have a materially adverse effect on existing investors in the Fund. In order to prevent this effect (called 'dilution'), TPL may need to make a 'dilution adjustment' that will be incorporated in the price. Such an adjustment is paid into or maintained within the Fund for the protection of investors and is only applied when the interest of investors requires it. For the Property Fund a dilution adjustment will usually be applied and included in the unit price.

- **Pricing basis:** Dependent on the general trend of flows in or out of the fund, the pricing basis of the Property Fund will either be at Offer (Inflow) or Bid (Outflow). This means that units in the fund are either priced on a Net Asset Value (NAV) less circa 1.2% or a NAV plus circa 5.8%.

- **Initial yield:** The rent passing net of ground rent, NR, as a percentage of the gross capital value, GCV, at the same date.

  GCV / NR

- **Reversionary yield:** The open market rental value net of ground rent, NOMRV, as a percentage of the gross capital value, GCV, at the same date.

  GCV / NOMRV

- **Equivalent yield:** The estimate of the discount rate which equates the future income flows relative to gross capital value. The equivalent yield discounts the current rental value in perpetuity beyond the last review date recorded for the tenancies in the subset. MSCI projected cash flows are estimated from records of current tenant rents, ground rents, open market rental values, rent review and lease expiry dates, and tenant options to break, assuming upward only rent reviews to expiry of the lease and that tenant options to break are exercised when the tenant rent exceeds the market rent.

- **Distribution yield:** Except where indicated, a fund's distribution yield is the sum of its distributions per unit over 12 months as a percentage of its net asset value per unit at the end of that period. The distributions used in the calculation are those earned/accrued, rather than paid, during the twelve months, and are gross of tax, net of fees.

- **MSCI UK Monthly Property Index:** The MSCI UK Monthly Property Index measures returns to direct investment in commercial property. It is compiled from valuation and management records for individual buildings in complete portfolios, collected direct from investors by MSCI. All valuations used in the Monthly Index are conducted by qualified valuers, independent of the property owners or managers, working to RICS guidelines. The Monthly Index shows total return on capital employed in market standing investments. Standing investments are properties held from one monthly valuation to the next. The market results exclude any properties bought, sold, under development, or subject to major refurbishment in the course of the month. The monthly results are chain-linked into a continuous, time-weighted, index series.

- **MSCI/AREF UK All Balanced Property Funds Weighted Average:** This Index measures Net Asset Value total returns on a quarterly basis. NAV in Index is the NAV of the index after the elimination of cross-holdings and deduction of management fees. Returns to the MSCI UK Monthly Property Index and to the MSCI/AREF UK All Balanced Property Funds Weighted Average Index are not directly comparable. This is largely because the UK Monthly Index measures the performance only of direct property market investments and because it excludes the impact on returns of developments and transactions. In contrast, returns to the MSCI/AREF UK All Balanced Property Funds Weighted Average Index include the impact of both developments and transactions as well as the returns from other assets (such as cash and indirect property investments), and the impact of leverage, fund-level management fees and other non-property outgoings.

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For your sole use as existing investor only.

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The funds invest in assets that are not always readily saleable without suffering a discount to fair value. The portfolio may have to lower the selling price, sell other investments or forego another, more appealing investment opportunity. Where investments are made in assets that are denominated in foreign currency, changes in exchange rates may affect the value of the investments.

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is available on the institutional site of www.columbiathreadneeedle.co.uk. The KFD gives a summary of information about TPENS pooled pensions in order to help you decide if you want to invest in funds, as well as a full list of risk factors applying to the funds.

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Task Force on Climate-related Disclosures (TCFD)

TCFD information for the funds covered by this Report has been made available on the relevant Fund Details or Document Library pages of our website and can be found at www.columbiathreadneedle.com.