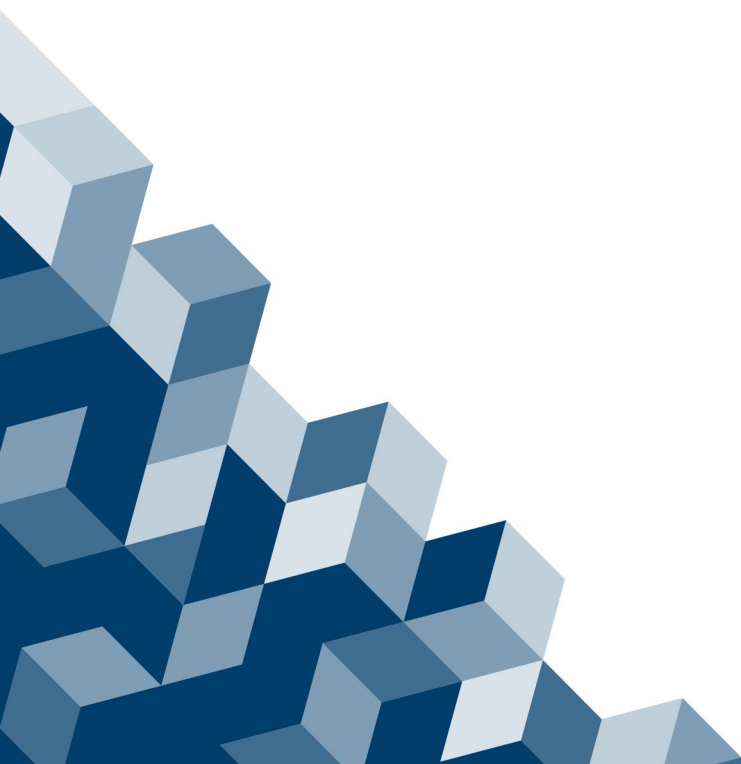


Threadneedle Pensions Limited, Property Fund Quarterly Report as at 31 March 2022

Confidential



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Mandate Summary

Contact Information



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

Mandate

To invest directly in UK commercial real estate including retail, office buildings and industrial properties.

We are delighted to announce the launch of three income share classes on the TPEN Property fund. This is in addition to the accumulation units currently offered through the fund, and is in response to client demand as DB schemes reach full funding/maturity and begin to distribute income to underlying pension fund holders. The new income share classes will offer asset allocation flexibility and will complement Columbia Threadneedle Investment's UK property investment philosophy of positioning funds with a focus on income, which we believe is the greatest contributor to total returns and the source of relative outperformance.

If you would like to switch into an income share class please contact your usual Relationship Manager, or Client Services on clientservices@columbiathreadneedle.com

Additional information can be found on the website, along with the current Key Features Document.

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 March 2022

Fund Information

■ Total Assets	GBP 2,334 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Quoted price* (Currently Bid)	7.6247
■ NAV	7.7199
■ UK pooled pension property fund	
■ Accumulation Units	
■ Prices and deals every UK business day	



Portfolio Highlights



NAV £2.334bn
6th largest Fund in
Benchmark¹



Diversification at asset level
273 properties



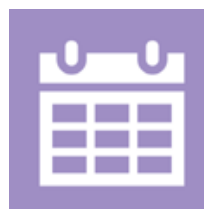
Diversified income with
1,271 tenancies



Highly liquid portfolio with
**Average lot size
£7.9m**



**Gross rent roll
£110.9M pa**



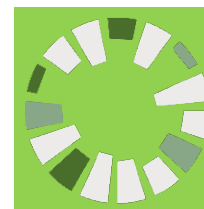
WAULT 4.8 years[‡]
(to lease break)



Cash 7.1%



**Vacancy rate
9.0%**



**GRESB Rating
2021 - 73/100**



Income advantage
**Net Initial Yield
4.8%* (vs 4.3%[†])**



**Equivalent Yield
6.3%[‡] (vs 5.3%[†])**



Total return +4.1%¹
(3 months net Nav to Nav)

Source: Columbia Threadneedle Investments, *CBRE Independent Valuation, ¹MSCI/AREF UK Quarterly Property Fund Index, [†]MSCI UK Monthly Property Index and [‡]MSCI Monthly Measures - TPEN at 31 March 2022.

Market Context

Market Commentary

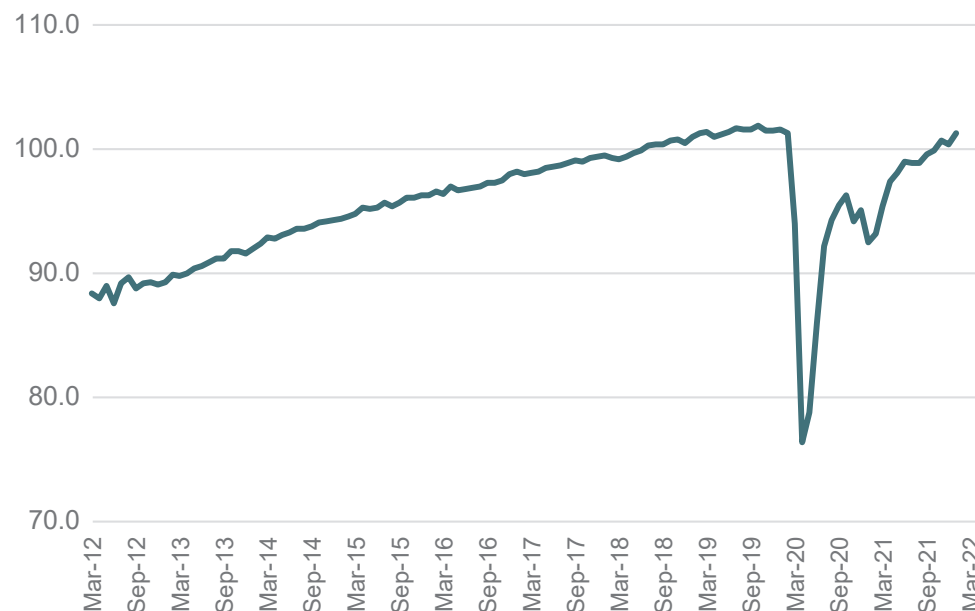
Macroeconomy

The UK economy has continued its recovery despite the emergence of the Omicron Covid-19 wave, with GDP rising by 0.8% m/m in January 2022, more than reversing the 0.2% m/m contraction recorded in December 2021. The economy is now 1.5% above its pre-pandemic level following a further 0.1% m/m increase in February 2022.

Inflationary pressures have continued to impact upon global economies, compounded further by the Russian invasion of Ukraine and subsequent Western sanctions imposed on Russia which has elevated global gas and oil prices to their highest levels in more than a decade. CPI inflation rose to 7% in March 2022, from 6.2% in February, with forecasts suggesting a peak at c.8.8% in Q2 2022, remaining elevated throughout the rest of the year. In response to rising inflation, the Bank of England voted to increase interest rates to 0.75% in March 2022. Further rate increases are anticipated to be incremental, as the Bank balances a proportionate monetary response against a backdrop of higher prices and lower growth expectations.

The unemployment rate fell from 4.1% to 3.8% in the three months to February, representing a return to its pre-pandemic level, with the number of job vacancies reaching a high of 1.29 million. Whilst the labour markets remain buoyant, real terms pay continues to fall behind the pace of inflation, placing increasing pressure on household incomes. The government is not ignorant of these pressures and has committed a fiscal package of £22bn to help cushion the impact of inflation on households, which may limit any downward pressure on consumption.

10-year UK GDP (Indexed)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, ONS GDP Monthly Estimate Feb 22, and LSH UKIT Q1 2022 report as at 31 March 2022.

Market Context

Market Commentary (continued)

Investment volumes

Total UK commercial property investment volumes reached £16.8bn for Q1 2022 representing a 24% increase on the 5 yearly quarterly average, providing a strong indication of liquidity, and of sustained investor confidence in the UK property market.

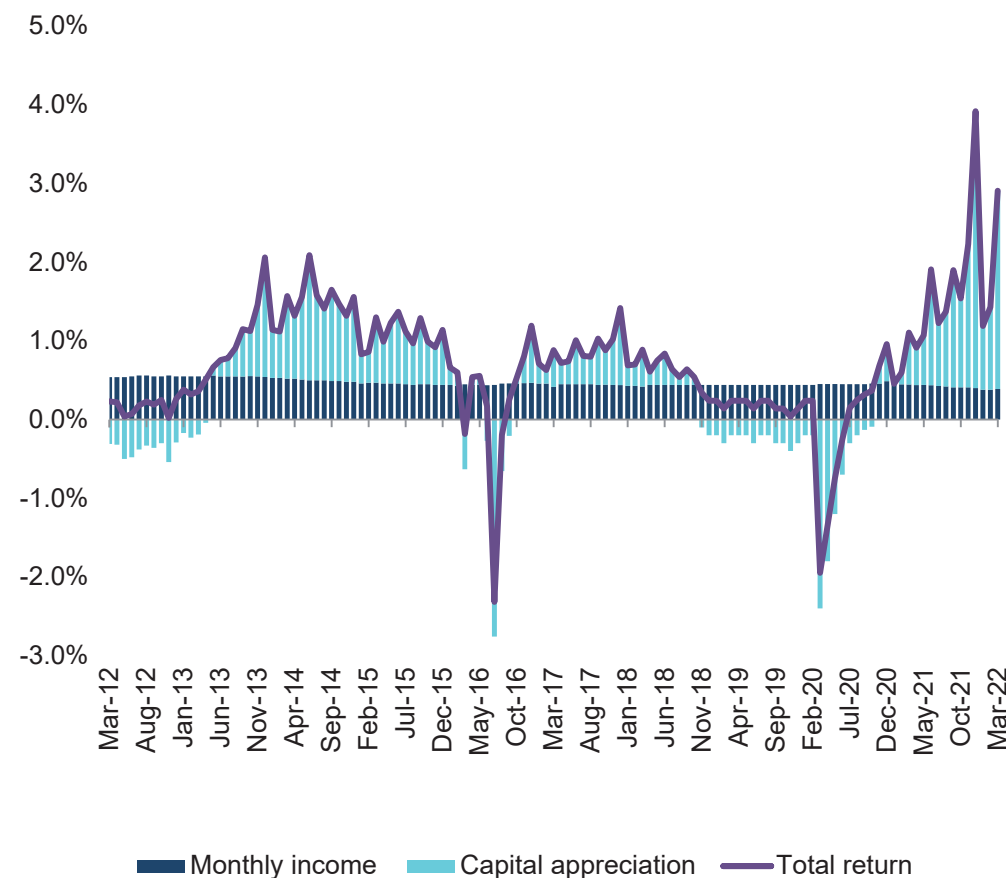
Returns

Total returns for the UK property market continue to be positive, driven by sustained capital growth in the industrial and retail warehouse sectors. As represented by the MSCI UK Monthly Property Index, the market generated total returns of 5.6% for Q1, comprising an income return of 1.2% and capital growth of 4.4%.

The industrial sector recorded yet another strong quarter with capital value growth of 7.4%, while retail capital value growth reached 4.4%, which saw the shopping centre sub-sector return to positive capital growth of 0.4%. The office market saw capital growth remain positive at 0.6%, largely led by performance in the West End and City sub-markets, as investors recognise the dynamic occupational fundamentals of Central London.

On an annualised basis, total returns to 31st March 2022 were 23.9%, which represents the highest 12-month returns since September 1994.

10-year UK Commercial property total returns (Monthly)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q2 2022 report as at 31 March 2022.

Market Context

Market Commentary (continued)

Occupational trends

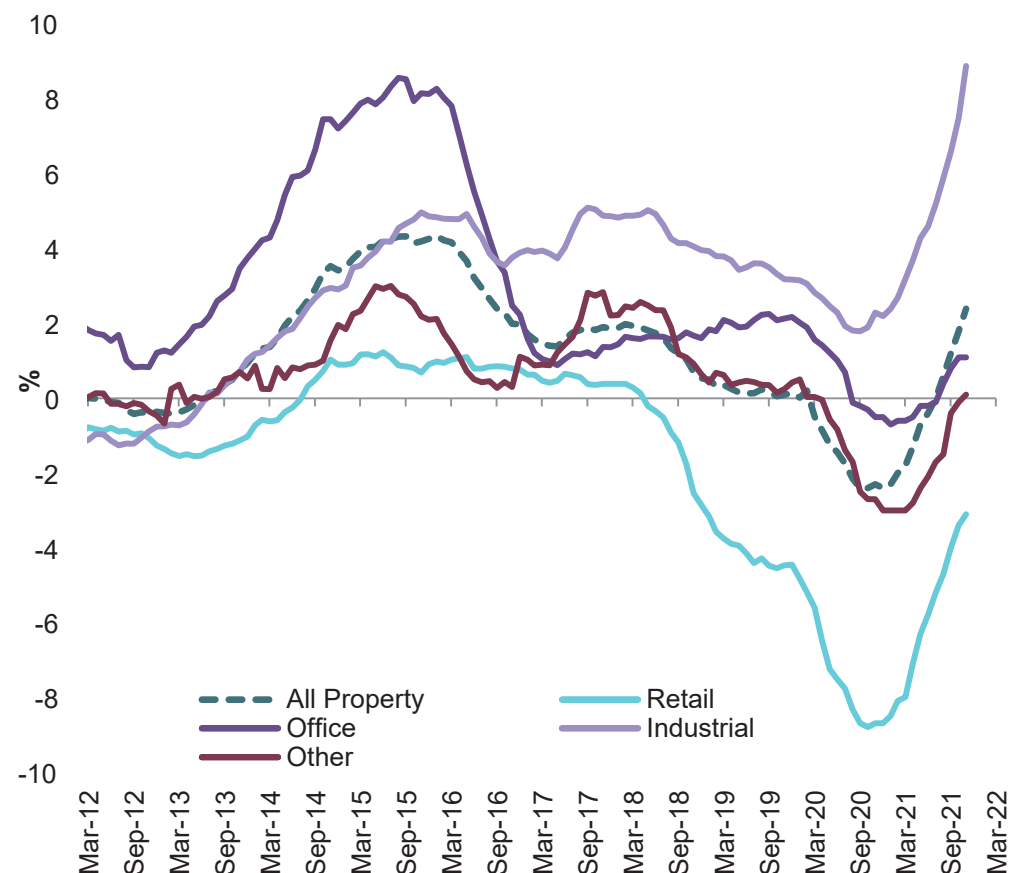
The occupier markets have been boosted by the end of Covid-19 restrictions, which has resulted in increased consumer and business confidence. The capital growth recorded in the industrial sector occurred in the context of continued strong occupier demand for logistics against a backdrop of severely constrained supply, leading to rental value growth of 3.4%. The retail sector saw rental values return to positive territory of 0.1%, as the retail warehousing sub sector recorded growth of 0.7%. The office market recorded continued stable growth of 0.3% despite the impact of the Omicron wave.

Outlook

The “All Property” Net Initial Yield at the end of March 2022 compressed by a further 12bps to 4.3%, which is reflective of the positive capital appreciation evidenced above. Despite a rise in Base Rate (0.75%) and UK gilts reaching the highest point since October 2018 (1.98%, 19/04/22), the commercial property market continues to assert its highly attractive relative income attributes.

Whilst the Base Rate is expected to rise further during 2022, the impact on property pricing is likely to be less pronounced than in comparable periods historically due to more restrained lending practices and a high volume of investor capital seeking exposure to real assets. With inflationary pressures likely to remain elevated, the correlated nature of UK real estate rental income to inflation is likely to ensure capital flows continue to mitigate any short-term macroeconomic headwinds.

10-year UK Commercial property rental value growth (Annualised %)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q1 2022 report as at 31 March 2022.

Fund Overview – Q1 2022

Material Changes

- There are no material changes relating to arrangements for managing the liquidity of the Fund.

Liquidity Management

- The value of the Threadneedle Pensions Limited Pooled Property Fund (TPEN PF) as at 31 March 2022 was c.£2.335bn, with an uninvested cash balance of c.£167.7m, representing c.7.1% of funds under management (FUM) in line with the Fund's target liquidity level.

Source: Columbia Threadneedle Investments as at 31 March 2022.

Investment Activity

- During Q1, the TPEN PF made five selective acquisitions and two strategic disposals, the highlights of which are as follows:
 - The acquisition of a six-asset portfolio comprising a single multi-let industrial estate, three single-let distribution warehouses, one trade/retail warehouse asset and detached self-contained office buildings. The portfolio is fully let with a total rent passing of £2,964,653 per annum reflecting a low average rent of £5.80 per square foot (psf) on the industrial/retail warehouse assets and £17.85 psf on office buildings, with an attractive WAULT to break of approximately 5.1 years. The portfolio was acquired for £50.275m, reflecting a NIY of c.5.5% (6.1% reversionary yield, or RY) and a low capital value of £116 psf. The acquisition strategically increases the Fund's exposure to highly liquid industrial/retail warehouse assets, which are capable of delivering a high, sustainable income yield at a price that compares favourably to those of similar industrial assets, while offering potential to add value through proactive asset management.
 - The acquisition of a modern, strong-trading, purpose-built three-unit c.32,770 sq ft retail park in Barnsley, located in a regionally dominant and highly accessible retail warehouse cluster. The asset is let at a rent passing of £795,576 per annum to Smyths Toys, TK Maxx and Pets at Home, with a WAULT to break of approximately 4.7 years. The asset was acquired for £9.15m, reflecting a NIY of

c.8.2% and a RY of 6.3%. The acquisition strategically increases the Fund's exposure to the highly attractive retail warehouse sub-sector, which is forecast to evidence significant rental and capital performance over the next 12 months. The Fund will also be acquiring assets that benefit from sustainable, high relative-income yields that offer 'mispriced' risk.

Source: Columbia Threadneedle Investments as at 31 March 2022.

Asset Management Overview

- Extracting latent value through proactive asset management initiatives remains a critical focus for the TPEN PF management team. A total of 222 new lettings/lease renewals were successfully completed in the 12 months to the end of Q1 2022, with a combined rental value of c. £18.7m per annum. Importantly, the TPEN PF continues to maintain high levels of tenant retention at 'tenant break options', with just 23 out of 155 options being exercised (c.85% 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 the TPEN PF's property portfolio is set to increase by a further c.£8.4m per annum over the next 12 months.

Source: Columbia Threadneedle Investments as at 31 March 2022.

- Asset Management Highlights for Q1 2022 included:

- A 6.5-year reversionary lease on a c.31,400 sq ft foodstore in Selby to one of the UK's top grocers providing a term certain until 2032 to a robust covenant, significantly improving the investment value of the asset.
- A lease renewal for a further 10-years with tenant-only break option in the fifth year on a c.1,290 sq ft warehouse unit on a multi-let industrial estate in Coulsdon. The achieved rent of £19.78 psf, c.10% ahead of the Independent Valuer's estimated rental value (ERV) of £18.00 psf.
- Surrender of an existing lease on a c.85,870 sq ft warehouse unit in Preston where an occupier had exercised its break option, resulting in a surrender premium payable to the Fund of c.£65,000, and simultaneously completed a new 10-year lease (with no break options) to a strong covenant and achieved rent of £5.50 psf, c.22% ahead of the previous rental level.

Fund Overview – Q1 2022

- Letting of a recently refurbished CAT A+ c.3,375 sq ft office suite in a multi-let office building in Bristol on a new five-year lease at £30.00 psf. The letting sets a new rental tone for the building and removes all vacancy within the building.
- The assignment of the lease of a c.151,120 sq ft distribution warehouse in Thrapston where the prior occupier who was paying a rental level of £5.50 psf entered administration. The Fund assigned the lease to a robust covenant for a 10-year term at £6.25 psf, with a minimum fixed rental increase to £6.50 psf at the next review documented via a Deed of Variation to the assignment.
- A 10-year lease renewal with a tenant-only break option in the fifth year on a c.50,506 sq ft distribution warehouse/foodstore in New Malden. The terms of the renewal significantly improve the investment value of the asset and ensure a key occupier has been secured for a prolonged term certain.

Source: Columbia Threadneedle Investments as at 31 March 2022.

Fund Sector Exposure as at Q1 2022

- TPEN PF is structured to provide highly diversified and defensive total returns, with a focus on high relative income yield and proactive asset management. The portfolio is strategically positioned relative to Columbia Threadneedle's analysis of prevailing market conditions at both the property and sub-sector levels. Relative to the MSCI/AREF UK Quarterly 'All Balanced' Property Fund (the benchmark) index weighted average (inclusive of cash holdings), the Fund has the following strategic sub-sector attributes:

- o Overweight in the industrial sector, with 47.9% of the portfolio invested in this key growth sector, relative to the benchmark's 42.1% weighting. Excluding cash, the Fund has c.56% (c.£1.192bn) of exposure to industrials at the direct portfolio level, with a focus on smaller 'last mile' distribution assets situated in strategic urban logistics locations. The TPEN PF investment team will continue to strategically increase exposure to the industrial market.
- o Underweight in the office sector (22.8% versus the benchmark's weighting of 24.6%), with the majority of the Fund's exposure strategically weighted to the most dynamic Central London (8.7% versus 10.9%) and South East (9.6% versus 8.7%) occupational markets.
- o Overweight in retail warehousing (12.2% versus the benchmark's weighting of 10.9%), providing consideration to the strong and resilient occupier trading for several essential retailers in this sub-sector during Covid-19. The TPEN PF investment team considers that, in addition to strong tenant trading and convenience-led schemes at mid-teen rental levels, the sub-sector now offers an attractive, sustainable income yield advantage in the market. Subject to robust stock selection, the Fund considers that the market dynamics are favourable for increasing exposure to this sub-sector in 2022.
- o Underweight exposure to in-town retail (5.8% versus 7.1%). Excluding Greater London, the TPEN PF has just c.£53m (c.2.5% of direct portfolio) of regional retail exposure, with a highly liquid average lot size of c.£1.2m (ensuring maximum diversity at both the property and tenant levels).

Source: Columbia Threadneedle Investments and MSCI/AREF UK Quarterly 'All Balanced' Property Fund index as at 31 March 2022.

Fund Overview – Q1 2022

Fund Performance – MSCI/AREF UK Quarterly 'All Balanced' Property Fund Index – Q1 2022

MSCI/AREF UK Quarterly 'All Balanced' Property Fund index weighted average return statistics are measured at the Fund level (NAV to NAV, net of fees) and take into account cash holdings.

- In Q1 2022, the TPEN PF generated a total return of 4.1%, underperforming the MSCI/AREF UK 'All Balanced' Property Fund index (the benchmark) weighted average total return of 5.6%.
- For the year ending 31 March 2022, the TPEN PF generated a total return of 23.8%, marginally outperforming the benchmark return of 23.1%.
- Over the medium to long term, the TPEN PF has delivered annualised total returns against the benchmark of 7.8% versus 8.1% over three years, 7.5% versus 7.8% over five years, 8.2% versus 8.1% over 10 years and 4.8% versus 4.0% over 15 years.

With reference to performance attribution, the following factors should be considered:

- With £2.335bn of assets under management (AUM), the TPEN PF is the sixth-largest fund in the MSCI/AREF UK Quarterly 'All Balanced' Property Fund index (benchmark). The Fund's size and significant diversification offer investors a sustainable, defensive and income-focused total return.
- As an open-ended, daily dealing, unit-linked life fund, the manager considers it prudent to adopt a cautious approach to liquidity management, especially in periods of sustained macroeconomic volatility. As such, TPEN PF has maintained a defensively high relative cash position during recent periods of prolonged and unprecedented volatility caused by Brexit and the global Covid-19 pandemic, albeit while operating within the Fund's long-term liquidity targets.

- From a real-estate perspective, as is to be expected in a sustained 'risk off' investment climate, well-let, prime assets have delivered relative outperformance between 2016 and 2021. Consistent with our long-term investment strategy, the TPEN PF is not overweight in this type of asset. However, over the medium to longer term, where income forms the core component of total return, supported by proactive asset management leading to capital value gains, funds such as the TPEN PF should be well positioned to deliver relative outperformance.
- Over the last three to five years, the TPEN PF investment team has been strategically repositioning portfolio sub-sector weightings in order to ensure that the Fund is well positioned to capitalise on market conditions over the next three to five years. Indeed, from a direct real-estate perspective, the Fund now has a c.73% weighting to Greater London (all sectors) and industrial markets, as well as a structurally underweight position in the in-town retail sector. This strategic repositioning is anticipated to set a solid foundation for the delivery of the TPEN PF's relative outperformance over the medium to long term.

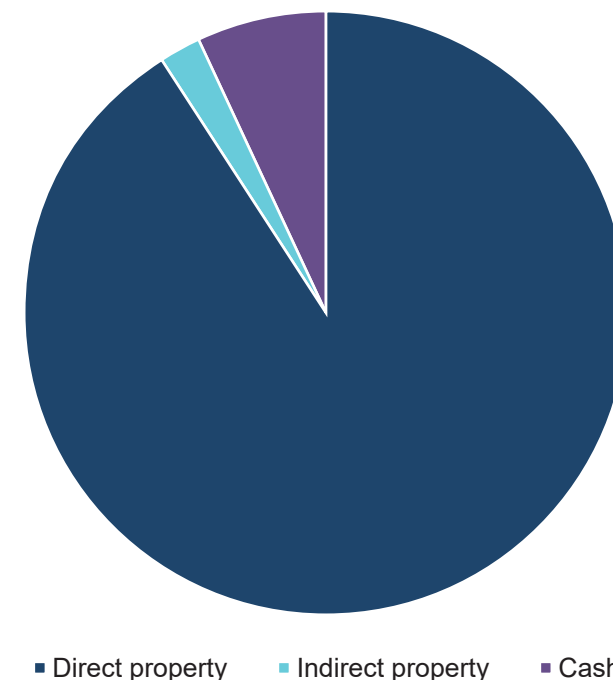
Source: Columbia Threadneedle Investments and MSCI/AREF UK Quarterly 'All Balanced' Property Fund index as at 31 March 2022.

Portfolio Characteristics

Net Fund Value	£2,334 million
Asset exposure	Property, Cash, Indirect
Cash	7.1%
Indirect	2.0%
Number of properties excluding indirect	273
Average lot size	£7.9 million
Total gross passing rent	£110.9 million p.a.
Number of occupied tenancies	1,271
Key tenants	Top 10 tenants form 18.3% of total rent roll.

	TPEN	MSCI Monthly Index
Net Initial yield	4.8*	4.1
Equivalent yield	6.3	5.3
Average term to break	4.8	6.6
Vacancy rate	9.0**	9.8

Fund composition



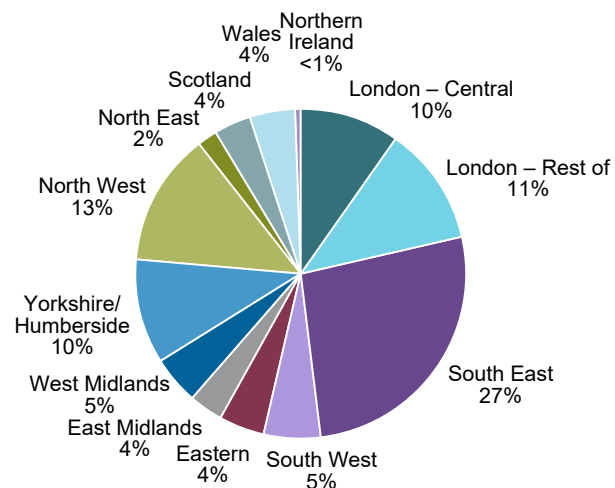
Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 March 2022

*Source: CBRE independent valuation as at 31 March 2022

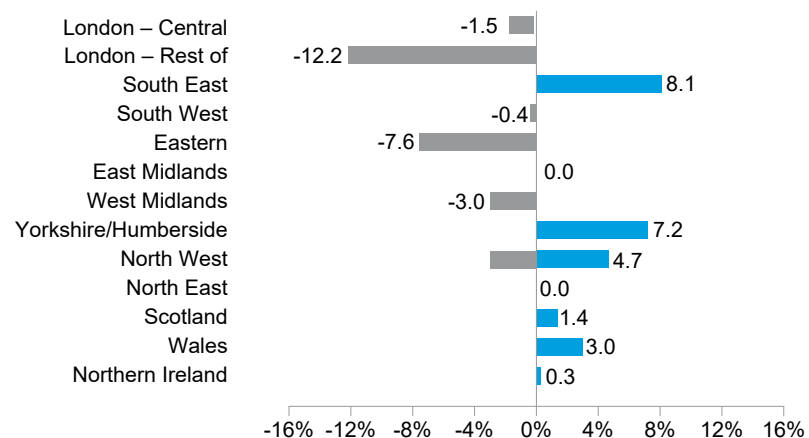
**Source: MSCI UK Monthly Property Index as at 31 March 2022

Portfolio Sector and Geographical Positioning

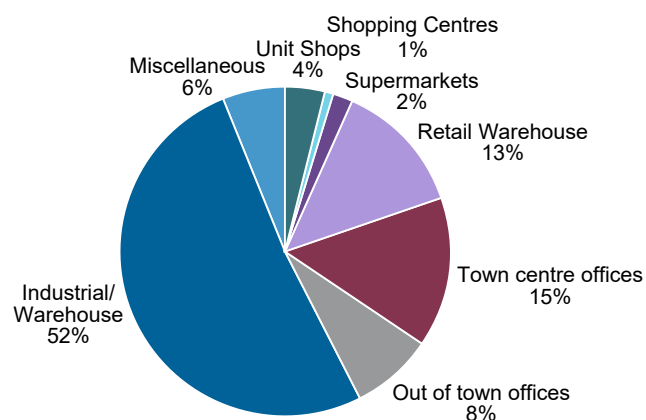
Portfolio weighting – geographical split



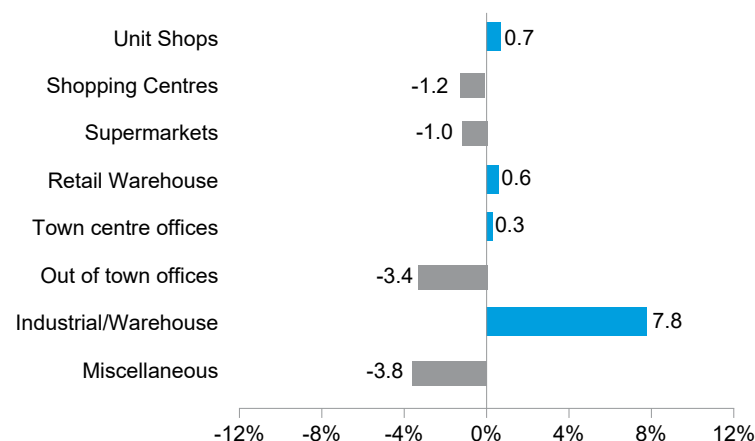
Relative portfolio weighting (%) versus MSCI Monthly Index



Property weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index



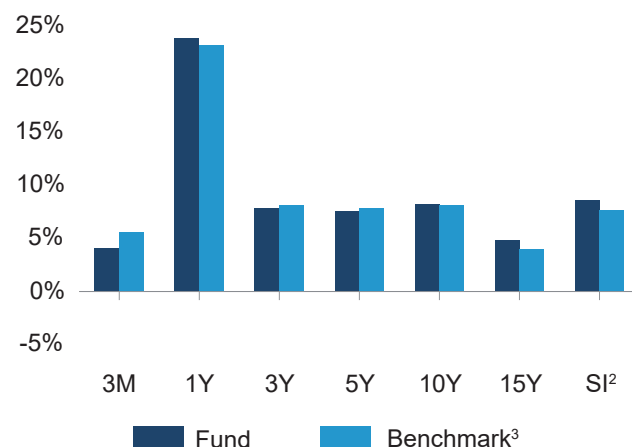
Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 March 2022

*Source: Retail (Unit Shops) overweight skewed by significant London retail/office holdings (including Heals Building & South Molton Street).

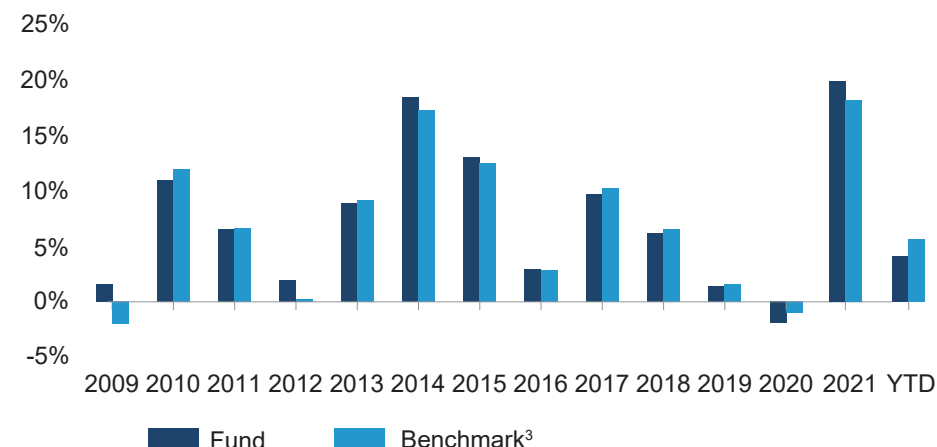
Performance

Long Term Performance

Discrete periods¹



Calendar Years



Fund Performance

Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	4.1	4.1	23.8	7.8	7.5	8.2	4.8	8.6
Benchmark**	5.6	5.6	23.1	8.1	7.8	8.1	4.0	7.6
Relative (Arithmetic)	-1.4	-1.4	0.6	-0.3	-0.3	0.1	0.8	0.9

Source: AREF/IPD

* 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	50-100
Chelmsford	Boreham Airfield	Miscellaneous	50-100
Sittingbourne	Spade Lane D/Cen	Industrial / Warehouse	50-100
Watford	Penfold Works	Industrial / Warehouse	25-50
South Ockendon	Arisdale Avenue	Industrial / Warehouse	25-50
London EC1	Banner Street	Town Centre Offices	25-50
London EC1	29-35 Farringdon Road	Town Centre Offices	25-50
Bristol	Next Distribution Warehouse	Industrial / Warehouse	25-50
Woodford	400 Rodding Lane	Industrial / Warehouse	25-50
Wimbledon	Wellington	Out of Town Office	25-50

Tenant

	% of rents passing
Next PLC	3.2
Liberty Global (Virgin Media)	3.1
Magnet Limited (NOBIA AB)	2.1
Travis Perkins PLC	1.7
John Lewis PLC	1.6
Norton Group Holdings	1.4
Co-Operative Group Limited	1.4
Hanson Quarry Products Limited	1.3
Currys PLC	1.3
Invesco Limited	1.3

Source: Columbia Threadneedle Investments as at 31 March 2022

Investment Activity – Key Purchases and Sales Over Q1 2022

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
Bedford Business Centre, Bedford	Q1 2022	Industrial / Warehouse	10-25	N/A
Two Omega Drive, Irlam, Manchester	Q1 2022	Industrial / Warehouse	5-10	N/A
104-106 City Road, Fenton, Stoke-on-Trent	Q1 2022	Retail Warehouse	5-10	N/A
Talke 16 Pit Lane, Stoke-on-Trent	Q1 2022	Industrial / Warehouse	10-25	N/A
Unit 30 Moorside Road, Winnall Industrial Estate, Winchester	Q1 2022	Industrial / Warehouse	5-10	N/A
Driscoll Buildings, Ellen Street, Cardiff	Q1 2022	Out of Town Offices	5-10	N/A
Units D/E & F, Spectrum Business Park, Wrexham	Q1 2022	Industrial / Warehouse	10-25	N/A
Unit One, 100 Winsford Industrial Estate	Q1 2022	Industrial / Warehouse	5-10	N/A
Cortonwood Retail Park, Phase 4, Barnsley	Q1 2022	Retail Warehouse	5-10	N/A
Matalan, Basildon	Q1 2022	Retail Warehouse	5-10	N/A
Sales				
Phoenix One, 59-63 Farnham Road, Slough	Q1 2022	Out of Town Offices	5-10	N/A
Blantyre, Prospect House	Q1 2022	Out of Town Offices	0-2.5	N/A

Source: Columbia Threadneedle Investments as at 31 March 2022

UK Real Estate: Responsible Investment

Key principles



"The real estate industry has a critical role to play in mitigating climate change. We must work collectively to ensure our buildings evolve to deliver against Net Zero targets. Investing in this commitment now will create long-term value for all our stakeholders."

Joseph Vullo, Head of UK Real Estate

"We strive to be responsible stewards of our clients assets"



We manage assets in accordance with longstanding ESG principles, enshrined within our UK Real Estate ESG Policy Statement and Refurbishment Guide

"It's everyone's responsibility"



ESG principles and performance metrics are embedded within our investment, asset management, refurbishment and property management processes







"Investing responsibly is complimentary to our funds' financial objectives"



Our active management bias provides the best potential to deliver positive environmental and social outcomes alongside financial performance

Responsible Investment: key business initiatives

Delivering positive outcomes

 Policy Statement	 Governance	 Environmental	 Net Zero	 Social	 Reporting
<ul style="list-style-type: none"> • ESG Working Group set up in 2018 to draw together existing workstreams and formalise existing longstanding working practices • ESG Policy Statement and Refurbishment Guide enshrined 2019 • ESG incorporated within Managing Agent KPIs since 2021 • Personal ESG Goals introduced from 2021 	<ul style="list-style-type: none"> • UKRE business benefits from established robust UK and offshore governance framework • Internally and externally audited • Latest ISAE report released January 2022 • ESG governance and oversight framework improved 2021 by introduction of ESG Steering Group 	<ul style="list-style-type: none"> • GRESB participation since 2016 (TPEN PF) • SDGs provide framework to independently monitor environmental performance • On-going engagement with largest tenants to improve FRI data sharing • Physical Risk Screening Assessments completed in November 2021, complementing prior workstreams 	<ul style="list-style-type: none"> • UKRE Net Zero Pathway published August 2021 • Fund Net Zero pathways published October 2021 • Fund Net Zero sensitivity analysis completed Q2 22 • Asset level Net Zero Carbon audits and Sustainability reports to be completed through 2022 • Fund targets to be set during 2022 	<ul style="list-style-type: none"> • Annual tenant engagement surveys • Social Value Framework embedded within Refurbishment Guide and being trialled on largest service charges • Community Spaces trial in vacant property • Active Management provides ad-hoc engagement opportunities • Wider social engagement via the Columbia Threadneedle Foundation 	<ul style="list-style-type: none"> • ESG introduced into standard reporting from 2017 • Responsible Investment Paper in 2019 updated investors on our approach and commitments • Reporting suite has evolved over time taking into account prevailing regulations, including: <ul style="list-style-type: none"> • SECR* • SFDR* • TCFD*

Source: Columbia Threadneedle Investments, as at 31 March 2021. *Note, not all regulations are applicable to all UK Real Estate strategies. Material is illustrative only.

Responsible Investment: portfolio monitoring

Sustainability Dashboard – quarterly performance metrics

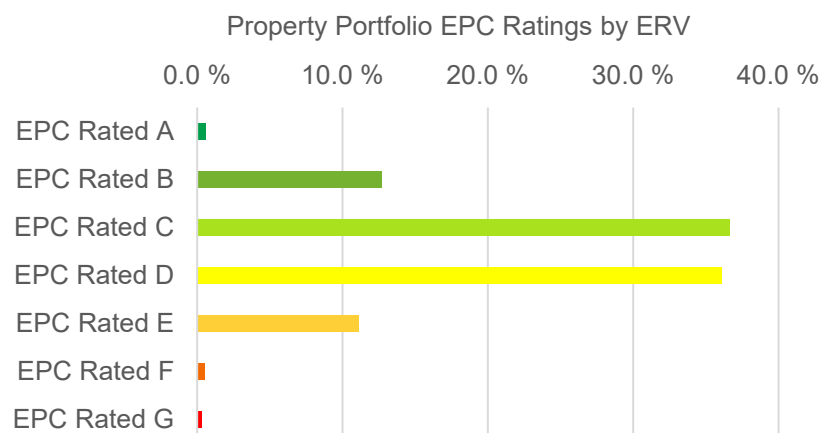
Property infrastructure: EPCs

Target EPC 'B' by 2030



Key performance metrics

Portfolio coverage (whole portfolio)	98%
Works projects completed (past 12 months)	8
Refurbishments delivered 'B' or better	88%

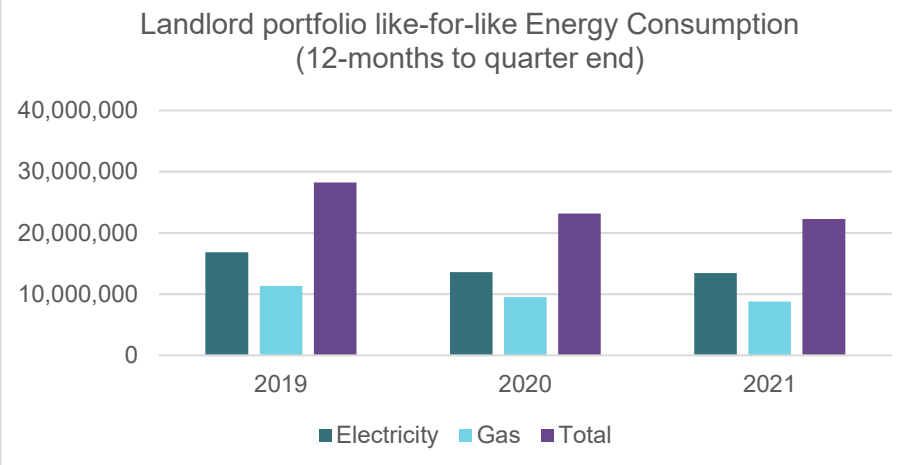


Target 20% reduction by 2030*



Key performance metrics

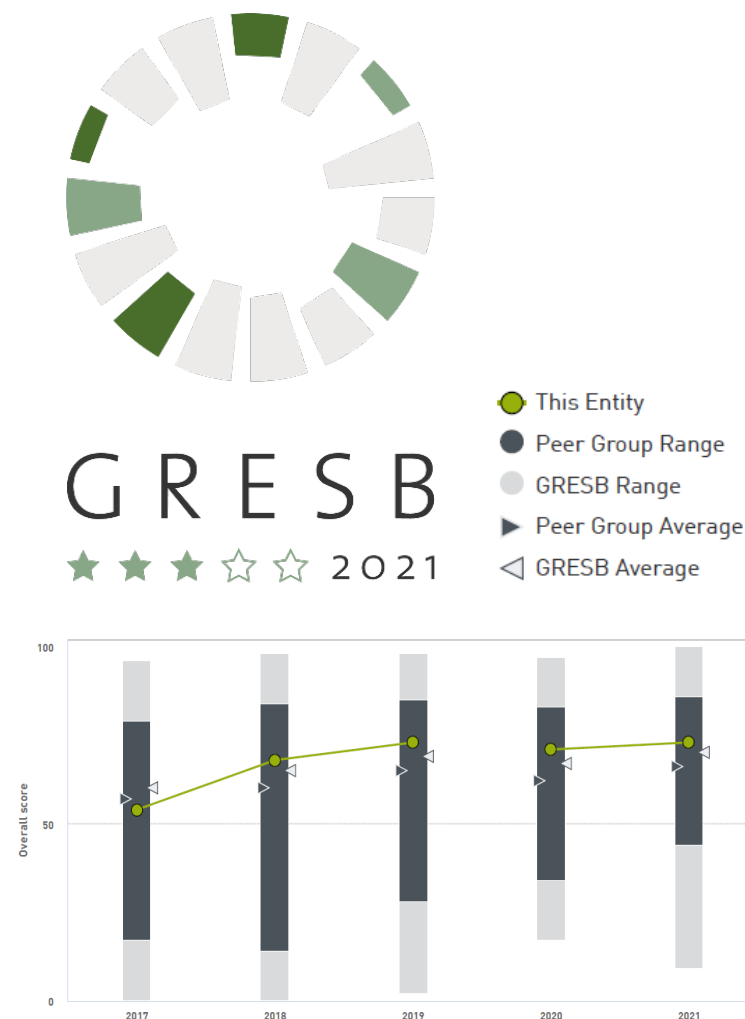
Portfolio coverage (LL managed portfolio)	84%
Energy consumption change L-f-L Y-on-Y*	-4%
Energy consumption change vs baseline*	-21%



Source: Columbia Threadneedle Investments. EPC data as at April, portfolio coverage as % ERV. 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 2021, portfolio coverage as % floor area. *Energy target expressed against 31 December 2019 baseline, based on assets where the fund has operational control (the 'landlord managed portfolio'). Targets are indicative and are in no way a guarantee of performance

Responsible Investment: GRESB 2021 results

Threadneedle Pensions Limited Pooled Property Fund



Global Real Estate Sustainability Benchmark

Key takeaways

- Sixth year of the Fund's submission to GRESB
- Scored 73 out of 100 (Peer Average = 69)
- Ranked 32nd within its peer group of 102 funds
- Improved score by +2 from 71/100 in 2020 submission

Strengths

- Management scored 30/30 vs Benchmark 26/30
- Improvements recognised in stakeholder engagement and risk management
- Data monitoring (especially energy and GHG) consistently score ahead of Benchmark

Areas of improvement

- Building certification (note: inconsistent with Fund strategy)
- Water / waste landlord data coverage currently incomplete
- Engagement with tenants required to improve data coverage on FRI buildings

Source: GRESB Benchmark Report 2021. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Responsible Investment: Net Zero carbon

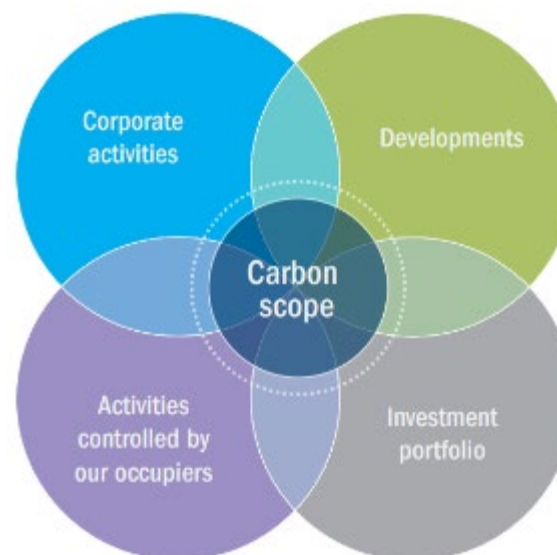
UK Real Estate commitment to decarbonise our portfolios

Our commitment is to achieve Net Zero carbon across all commercial real estate assets managed for our clients by 2050 or sooner.

- Each fund will set interim targets to measure and drive progression towards the ultimate 2050 target
- This commitment covers whole building emissions including our occupiers
- Driving change through the supply chain requires effective occupier and supplier engagement
- Initiatives underway include our Stewardship Code for contractors, and Green Lease clauses which we encourage our occupiers to adopt

All operational energy and water consumption, all waste produced and all travel associated with our business activities

All embodied carbon within developments, refurbishments and the fit-outs that we manage



All occupier-controlled energy, water and waste consumed and produced through our managed portfolio

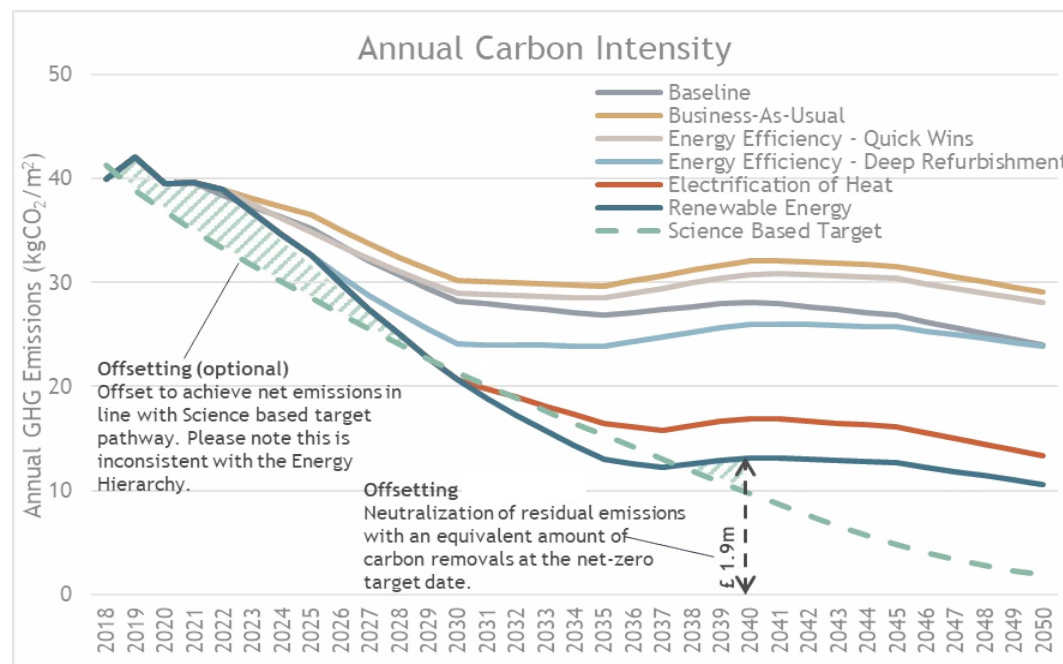
All landlord-controlled emissions, water and waste consumed and produced through our managed portfolio

Responsible Investment: Net Zero fund pathway

Threadneedle Pensions Limited Pooled Property Fund pathway to Net Zero

Action	EVORA Modelled time	EVORA Modelled cost	Est. Energy consumption saving
Quick wins	2022-25	£5.2m	c.4%
Major asset refurbishment	2022-30	£66.7m	c.14%
Use of renewables	2025-37	£33.8m	c.33%
Electrification of heat	2030-35	£102.5m	
Cumulative cost & saving impact		£211m / £12m pa	c.51%
Offsetting	2040	£1.9m pa	Residual

Portfolio Annual Carbon Intensity



- Net Zero pathway completed in October 2021 and sensitivity analysis completed in May 2022
- Between 2017-2021 Threadneedle Pensions Limited completed **191** capital projects investing an average **£19.5 million** per annum in building improvements
- Cap ex budgeted for 2022 is approximately **£28.55 million**
- Yield impact would be offset by rental increase of **+2.0%** based on current passing rent

Source: EVORA Net Zero Target & Sensitivity Analysis, Threadneedle Pensions Limited Pooled Property Fund, as at May 2022. 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.

Asset management activity

Highlights for three months to March 2022

- 6.5-year reversionary lease on a c.31,400 sq ft foodstore in Selby, to one of the UK's top grocers providing a term certain until 2032 to a robust covenant, significantly improving the investment value of the asset.
- Lease renewal for a further 10-years with tenant only break option in Year 5 on a c.1,290 sq ft warehouse unit on a multi-let industrial estate in Coulsdon, achieved rent of £19.78 psf, c.10% ahead of the Independent Valuer's ERV of £18.00 psf.
- Surrender of an existing lease on a c.85,870 sq ft warehouse units in Preston with an occupier who had exercised their break option, surrender premium payable to the Fund of c.£65,000 and simultaneously completed a new 10-year lease (no break options) to a strong covenant with an achieved rent of £5.50 psf, c.22% ahead of the previous rental level.
- Letting of a recently refurbished CAT A+ c.3,375 sq ft office suite in a multi-let office building in Bristol on a new five year lease at £30.00 psf. This letting sets a new rental tone for the building and removes all vacancy within the building.
- Lease assignment of a c.151,120 sq ft distribution warehouse in Thrapston where the prior occupier had entered administration paying a rental level of £5.50 psf to a robust covenant for a 10-year term certain at £6.25 psf with a minimum fixed rental increase to £6.50 psf at next review documented via a Deed of Variation to the assignment.
- 10-year lease renewal with tenant only break option in Year 5 on a c.50,506 sq ft distribution warehouse/foodstore in New Malden, significantly improving the investment value of the asset and ensuring a key occupier was secured for a pro-longed term certain.



Abbey Walk Retail Park, Selby



Redland Ind. Est., Coulsdon



Summit 86, Preston



Hanover House, Bristol



1A Thrapston Triangle, Thrapston



Wyvern Ind. Est., New Malden

Source: Columbia Threadneedle Investments, as at 31 March 2022.

Asset management activity

Refurbishment & letting: Building 1100, Renaissance, Basingstoke

- **12,300 sq ft self contained office building**, located in the centre of Basingstoke, 1.3 miles from Junction 6 of the M3 motorway
- The previous occupier vacated in December 2020 following which the Fund completed an extensive Grade A refurbishment which PC'd in June 2021
- In March 2022, the whole building was let to InfoSum Limited on a new 10 year lease with an occupier break option in Year 5
- Stepped rental level agreed to **£25.00 per sq ft** by Year 5 (**+38%** on previous contracted rent)
- Capital uplift **+5%** since March 2022



Outcomes:



Financial

Rental uplift **+38%** previous rental level; capital value uplift **+5%**



Environmental

EPC improved to a 'B' rating (prior rating 'C'), AirRated Gold Certificate, Smart Tech ready, new EV charging points, gas supply removed



Social

Local employment created

Source: Columbia Threadneedle Investments. *Rent achieved is headline rent on expiry of tenant incentive periods

Threadneedle Pensions Limited Pooled Property Fund

Portfolio EPC data

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

	Apr 2021	Jul 2021	Oct 2021	Jan 2022	Apr 2022	Target
Property assets	268	268	268	273	274	-
Rateable units	1,373	1,370	1,382	1,348	1,333	-
EPC coverage (% rateable units)	92.4%	93.2%	94.3%	93.1%	98.0%	100%
EPC rated A (% rateable units)	0.5%	0.7%	0.5%	0.5%	0.6%	>25%
EPC rated B (% rateable units)	8.4%	9.3%	10.1%	10.8%	12.7%	>50%
EPC rated C (% rateable units)	35.3%	34.9%	35.9%	33.5%	36.6%	<25%
EPC rated D (% rateable units)	35.7%	35.7%	35.4%	36.4%	36.1%	0% by end 2030
EPC rated E (% rateable units)	10.3%	10.3%	10.5%	10.5%	11.1%	0% by end 2030
EPC rated F (% rateable units)	1.2%	1.2%	1.0%	0.9%	0.7*	0% by end 2022
EPC rated G (% rateable units)	0.9%	0.9%	0.7%	0.5%	0.3%**	0% by end 2021

Source: Columbia Threadneedle Investments. All data as at April 2022 unless otherwise stated. Notes: As at April 2022 * seven properties have units rated EPC 'F'; four are located in Scotland which is subject to differing rating systems and regulations, three are being refurbished with the EPC to be reassessed post landlord works ** four property have units rated EPC 'G', two of which are located in Scotland – one under offer to be sold and the other let to 5A1 covenant until 2029 and the other two are subject to planned refurbishment works in 2022. Targets are indicative and are in no way a guarantee of performance.

Threadneedle Pensions Limited Pooled Property Fund

Portfolio energy consumption data

	2018	2019	2020	2021	Target
Property assets	287	282	274	261	n/a
Landlord managed assets (S/C)	117	117	114	113	n/a
Data coverage: landlord-managed assets (gross floor area)	86%	85.5%	89.3%	84.2%	100%
Tenant managed assets (FRI)	170	165	160	148	n/a
Data coverage: tenant-managed assets (gross floor area)	13%	18.5%	19.9%	tbc	TBA
Data coverage: whole portfolio (gross floor area)	52%	54.5%	58.2%	tbc	TBA
Total portfolio energy consumption – absolute	46,035,566 kWh (-1.43%)	52,388,890 kWh (14.24%)	32,900,067 kWh (-28.61%)	22,894,201 kWh (-30.41%)	TBA
Total portfolio electricity consumption – absolute	33,461,837 kWh (-7.50%)	36,182,812 kWh (8.13%)	20,102,857 kWh (-44.44%)	14,041,648 kWh (-30.15%)	TBA
Total portfolio gas consumption – absolute	12,573,729 kWh (0.34%)	16,206,078 kWh (28.39%)	12,797,210 kWh (-21.03%)	8,852,552 kWh (-30.82%)	TBA

Source: Columbia Threadneedle Investments. Note all data for 2018, 2019 and 2020 is based on 12-months to 30 September on specified year. 2021 data is based on 12-months to 31 December. Total absolute portfolio data for 2021 excludes tenant data due to tenant data being mobilised on an annual basis (June 2022). Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods.

Threadneedle Pensions Limited Pooled Property Fund

Portfolio greenhouse gas (GHG) emission data

	2018	2019	2020	2021	Target
Property assets	287	282	274	261	n/a
Landlord managed assets (S/C)	117	117	114	113	n/a
Data coverage: landlord-managed assets (gross floor area)	86%	85.5%	89.3%	84.2%	100%
Tenant managed assets (FRI)	170	165	160	148	n/a
Data coverage: tenant-managed assets (gross floor area)	13%	18.5%	19.9%	tbc	TBA
Data coverage: whole portfolio (gross floor area)	52%	54.5%	58.2%	tbc	TBA
GHG emissions – absolute (year on year % difference)	11,783 tonnes (-21.70%)	12,245 tonnes (3.92%)	7,041 tonnes (-42.50%)	4,601 tonnes (-34.65%)	TBA

Source: Columbia Threadneedle Investments. All data as at 31 December on specified year, unless otherwise stated. Total absolute GHG emission figures for 2021 above exclude tenant data due to tenant data being mobilised on an annual basis (anticipated June 2022). Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods.

Threadneedle Pensions Limited Pooled Property Fund

Portfolio water and waste consumption data

		2018	2019	2020	2021	Target
Property assets		287	282	274	tbc	n/a
Landlord managed assets (S/C)		117	117	114	tbc	n/a
Data coverage: landlord-managed assets (gross floor area)	Water	39.4%	32%	34.6%	tbc	100%
	Waste	86.1%	33%	40.8%	tbc	100%
Tenant managed assets (FRI)		170	165	160	tbc	n/a
Data coverage: tenant-managed assets (gross floor area)	Water	0	4%	14.3%	tbc	TBA
	Waste	0	4%	11.4%	tbc	TBA
Data coverage: whole portfolio (gross floor area)	Water	21.6%	22.0%	25.1%	tbc	TBA
	Waste	13.5%	26.8%	27.1%	tbc	TBA
Total water consumption – absolute		88,180 m3	232,058 m3	192,443 m3	tbc	TBC
Total waste consumption – absolute		1,634 tonnes	3,247 tonnes	3,321 tonnes	tbc	TBC

Source: Columbia Threadneedle Investments. All data as at 31 December on specified year, unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods (June 2022).

Threadneedle Pensions Limited Pooled Property Fund

Portfolio flood risk data (proxy climate change risk)

Target: to monitor and report flood risk for every asset on an annual basis

Portfolio risk exposure by value	Apr 2021	Jul 2021	Oct 2021	Jan 2022	Apr 2022	Target
Property assets	268	267	268	261	262	n/a
Low	205 (79.3%)	205 (80.2%)	206 (80.1%)	200 (79.4%)	200 (79.0%)	TBA
Medium	54 (17.7%)	53 (16.8%)	53 (17.0%)	52 (17.8%)	52 (17.8%)	TBA
High	6 (2.2%)	6 (2.1%)	6 (2.0%)	6 (2.0%)	6 (1.9%)	TBA
Extreme	3 (0.9%)	3 (0.9%)	3 (0.9%)	3 (0.9%)	4 (1.2%)	TBA

Extreme risk assets	High risk assets
Unit B, Wyld Road, Bridgwater	1-6 Broadway, Wood Green, London N22
7 Farrell Street, Warrington	Riverbridge House, Dartford
World of Golf, New Malden	Unit 2&3, Christopher Court, Mona Close, Swansea
Castle Mill Works, Dudley (small element of site)	The Priory Centre, Worksop
	261-309 High Road, Loughton
	Trade Point, Sheffield

Source: Columbia Threadneedle Investments. All data as at April 2022 unless otherwise stated. Notes: Flood Risk Assessments commissioned on residual six High / four Extreme risk assets – assessments to be reviewed by Fund's insurer and risk rating to be reassessed. Physical Risk Screening Analysis undertaken November 2021 to compliment the above flood risk statistics and is available on request.

Fund Prospects

As at the start of 2022, there continues to be significant global capital targeting the UK commercial property sector as all investment markets recover following the shock of the global pandemic.

In the CTI real-estate team's analysis, defensively positioned funds with high relative income yields, significant levels of portfolio diversification and the potential to add value thorough proactive asset management are best positioned to deliver relative outperformance over the long term. The TPEN PF continues to be well positioned against the current uncertain backdrop, as evidenced by the following factors:

- The TPEN PF is a major open-ended product, with £2.335bn in funds under management (FUM) and benefits from a well-diversified underlying client base.
- Time-proven liquidity protocols have historically ensured disciplined control of investor inflows and outflows when necessary to protect the interests of existing investors.
- Part of the rental income generated from the TPEN PF (c.£110.9m per annum) is to be distributed to investors on a quarterly basis from Q1 2022, with the majority reinvested in the Fund to further enhance liquidity.
- Some key features of the Fund include:
 - o Income yield advantage versus the MSCI UK Monthly Property index (4.8%* versus 4.3%¹).
 - o Maximum diversification at portfolio level, with 273 properties and 1,271 tenancies.
 - o Highly liquid average lot size of c.£7.9m.
 - o Strategic portfolio positioning, with a focus on the strongest underlying sub-sectors (c.56%* of direct property exposure to the buoyant industrial market, with a 'last mile' focus).
 - o Significant unrealised potential to add value through proactive asset management across the portfolio.

- o Defensive positioning with zero property-level debt, no exposure to property company shares and selective speculative property development in compelling sub-markets.

Source: Columbia Threadneedle Investments, *CBRE Independent Valuation and ¹MSCI UK Monthly Property Index as at 31 March 2022.

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.

$$\text{GCV} / \text{NR}$$

- **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.

$$\text{GCV} / \text{NOMRV}$$

- **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. IPD 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 IPD. 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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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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