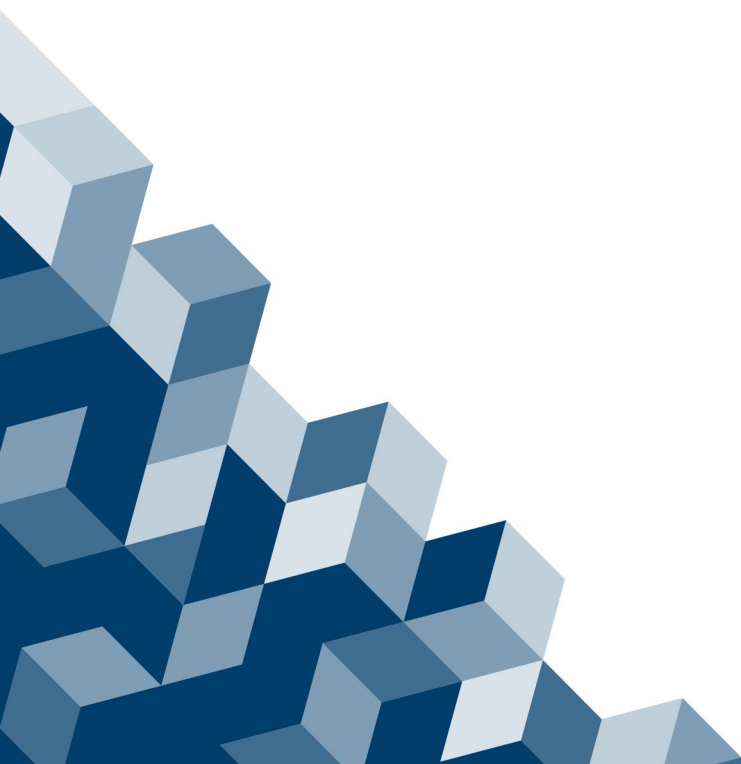


Threadneedle Pensions Limited, Property Fund Quarterly Report as at 30 June 2022

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 30 June 2022

Fund Information

■ Total Assets	GBP 2,306 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Quoted price* (Currently Bid)	7.9896
■ NAV	8.0913
■ UK pooled pension property fund	
■ Accumulation Units	
■ Prices and deals every UK business day	



Portfolio Highlights

	NAV £2.306bn 6 th largest Fund in Benchmark ¹		Diversification at asset level 261 properties		Diversified income with 1,215 tenancies
	Highly liquid portfolio with Average lot size £8.3m		Gross rent roll £106.9M pa		WAULT 4.8 years (to lease break)
	Cash 5.7%		Vacancy rate 8.5%		GRESB Rating 2021 - 73/100
	Income advantage Net Initial Yield 4.6% (vs 4.1% ²)		Equivalent Yield 6.0% (vs 5.1% ²)		Total return +4.6%¹ (3 months net Nav to Nav)

Source: Columbia Threadneedle Investments, ¹MSCI/AREF UK Quarterly Property Fund Index and ²MSCI UK Monthly Property Index at 30 June 2022. Note the fund's cash position excludes Debtors and Creditors.

Market Context

Market Commentary

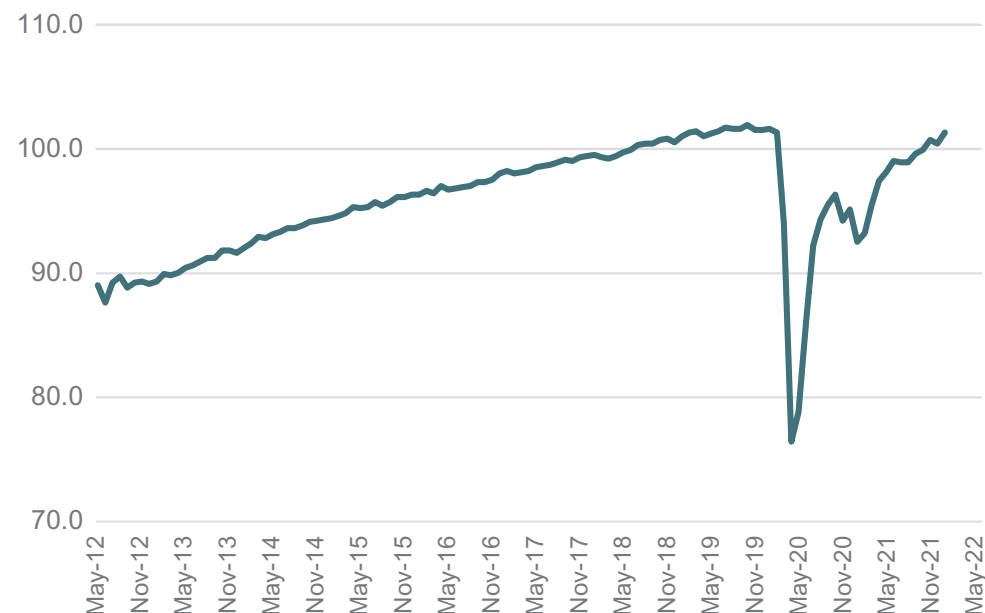
UK Macroeconomy

Following a sustained period of strong economic recovery post-pandemic, GDP growth slowed down in the second quarter of 2022, as the effects of rising inflation, a protracted war in Ukraine and the subsequent supply-chain disruptions, began to filter through the UK economy. At the end of May, however, monthly GDP was estimated to be 1.7% above its pre-pandemic level (February 2020).

Inflationary pressures persist, with consumer price inflation (CPI) reaching an annual rate of 9.4% in June, up from 9.1% in May. Fuel and energy prices continued to be the largest contributors to inflation. As a result, real wages (excluding bonuses) fell by an average of 3.7% over the three months to May, compounding the contraction in household incomes. The decision by the Bank of England's (BoE's) Monetary Policy Committee (MPC) to increase rates by 25 basis points (bps) in June was evidently lower than the 75 bps hike to 1.75% in the US, which resulted in a weaker pound compared to the dollar. Against this backdrop, further modest rate rises are anticipated at the next MPC meeting in an attempt to temper inflation.

Whilst the above factors have posed significant challenges to the economy, labour markets have remained constrained, with the unemployment rate falling to 3.8% over the three months to May. Demand for labour is high and, as such, is fuelling economic productivity, but also employee demands for higher wages. In addition, government fiscal policy continues to provide support to the economy, with the Treasury announcing a support package of c.£37bn this financial year to mitigate the rising cost of living.

10-year UK GDP (Indexed)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, ONS GDP Monthly Estimate May 22, and LSH UKIT Q2 2022 report as at 30 June 2022.

Market Context

Market Commentary (continued)

Investment volumes

Total UK commercial property investment volumes reached £15.64bn for Q2 2022, representing a 14% increase on the 5-yearly quarterly average, which evidences sustained investor confidence in UK property, with liquidity remaining strong – particularly for smaller lot sizes.

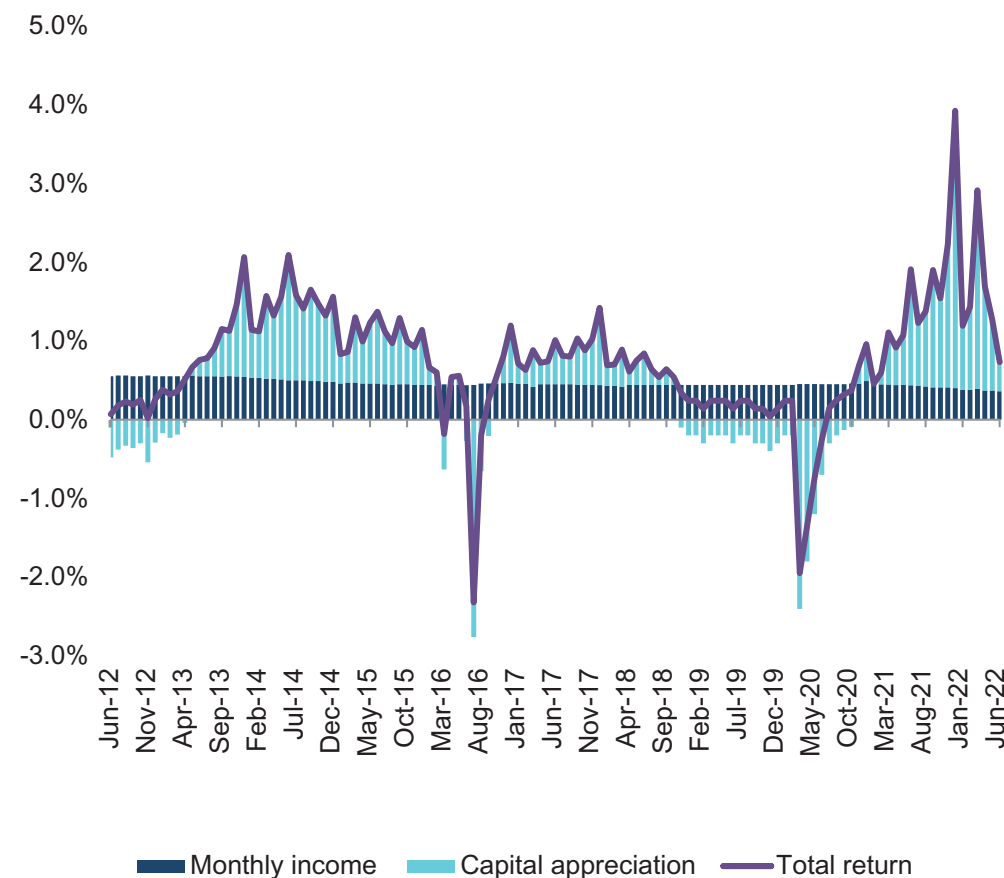
Returns

While capital growth has moderated against the previous quarter, the UK property market continues to deliver positive total returns, driven by sustained capital appreciation in the industrial and retail warehouse sectors. As represented by the MSCI UK Monthly Property index, the market generated total returns of 3.8% for Q2, comprising an income return of 1.1% and capital growth of 2.6%.

The industrial sector continued to outperform the core sectors, with capital value growth of 4.2%. Retail capital value growth remained positive at 2.3%, with retail warehouses delivering 3.7%. The office market saw capital growth remain in line with Q1's performance at 0.6%, as investors continued to recognise the dynamic occupational fundamentals of the central London markets.

On an annualised basis, total returns to 30 June 2022 were 23.7%.

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 30 June 2022.

Market Commentary (continued)

Occupational trends

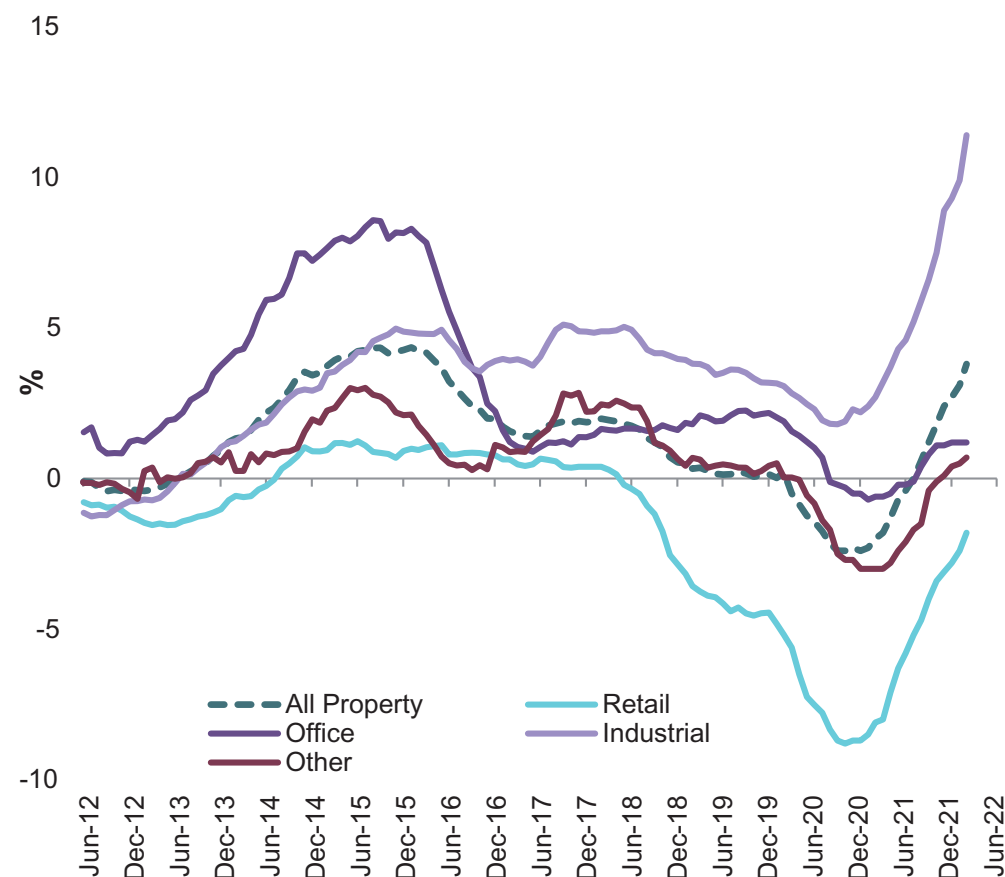
Despite the macroeconomic challenges, core occupier markets have continued to recover following the relaxation of Covid-19 restrictions. The capital growth recorded in the industrial sector occurred in the context of continued strong occupier demand and severely constrained supply, leading to rental value growth of 2.7%. The retail sector saw rental values remain in positive territory in line with the Q1 performance of 0.1%. The office market continued its stable growth trajectory of 0.1%, despite the impact of a change in post-pandemic working behaviours.

Outlook

The “All Property” net initial yield at the end of June 2022 had compressed by a further 9 bps over the quarter to 4.2%, which is reflective of the positive momentum in capital appreciation evidenced above. Given the more challenging macroeconomic outlook, and the capital value falls experienced in other asset classes, capital growth is likely to come under pressure for the remainder of 2022, and positive income attributes will become a more prominent factor in investment considerations.

While the asset class will not be immune to persistent inflationary pressure and the monetary policy response, a stable occupational market characterised by sustainable rental income and low vacancy rates, and very modest levels of debt by historic standards, should enable performance to remain positive on a relative basis.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q2 2022 report as at 30 June 2022.

Fund Overview – Q2 2022

Material Changes

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

Portfolio Activity

- During Q2 2022, the Threadneedle Pensions Limited Pooled Property Fund (TPEN PF) made no new property acquisitions and 11 strategic asset sales. Total sales for the quarter were c.£92.87m, representing a c.£7.0m (c.8%) premium to the Independent Valuation. Capitalising on the highly liquid industrial capital market TPEN PF sold four warehouses where the business plan of regearing the existing occupier or a new leasing transaction had been completed. This generated a blended c.9% premium to the Independent Valuation, at a combined sale price of c.£81.4m. The remainder of TPEN PF's sales programme was focused on selling non-core assets which have limited prospects of rental or capital growth and pro-longed void risk. Residual sales proceeds will be used to fund further opportunistic purchases deemed to present attractive performance prospects, and to fund capital expenditure projects to enhance existing asset value.
- Extracting latent value through active asset management initiatives remains a critical focus. A total of 224 new lettings/lease renewals were successfully completed in the 12 months to the end of Q2 2022, with a combined rental value of c.£17.6m per annum. Importantly, the TPEN PF continues to maintain high levels of occupier retention at 'tenant break options', with just 20 out of 139 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 the TPEN PF's property portfolio is set to increase by a further c.£9.6m per annum over the next 12 months.

Rent Collection

- 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. As a result of the work undertaken by its asset and property managers, rent collection for the forthcoming quarter stands at c.94% (as at Day 28).

Liquidity Management

- TPEN PF continues to maintain a robust liquidity position with gross cash of c.£130.8m, equivalent to c.5.7% of net asset value (NAV). The manager continues to monitor liquidity closely as a means of protecting the fund against any residual market volatility, and to exploit buying opportunities as they arise.

Performance

- In Q2 2022, TPEN PF generated a total return of 4.6%, significantly outperforming the MSCI/AREF UK 'All Balanced Open-Ended' Property Fund index (the benchmark) weighted average total return of 3.9%. For the year ending 30 June 2022, the TPEN PF generated a total return of 24.1%, significantly outperforming the benchmark return of 23.3%. Over the medium to long term, the TPEN PF has delivered annualised total returns against the benchmark of 9.3% versus 9.2% over three years; 8.2% versus 8.1% over five years; 8.7% versus 8.5% over 10 years; and 5.0% versus 4.1% over 15 years.

Source: MSCI/AREF UK Quarterly 'All Balanced Open-Ended' Property Fund index, as at 30 June 2022. 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 30 June 2022, TPEN PF's directly held property assets generated relative total returns of +4.5% against the broader property market (as represented by the MSCI UK Monthly index – unfrozen). This was achieved through a positive relative income return of +1.0% and positive capital value growth of +3.6%. TPEN PF's retail assets performed better than the wider market by +2.9%, delivering a total return of 25.5% driven by retail warehouse capital appreciation of 35.2%. Offices outperformed by +4.3% relative to the market, producing a total return of 12.4%. TPEN PF has taken a proactive approach to the capital expenditure required to retain and enhance the long-term value of its office portfolio, which is reflected in these figures. TPEN PF's industrial assets delivered a total return of 42.3%, outperforming the market by +2.4%, with capital value growth of 35.9% over the previous 12 months.

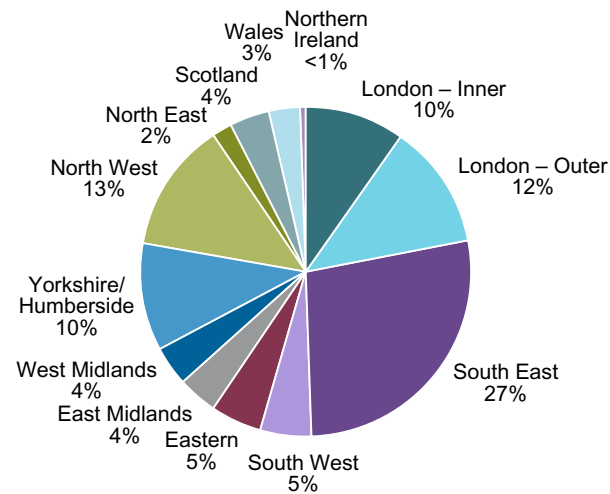
Source: MSCI UK Monthly Property index (unfrozen) and TPEN PF's directly held assets compared to the MSCI UK Monthly Property index – June 2022).

Outlook

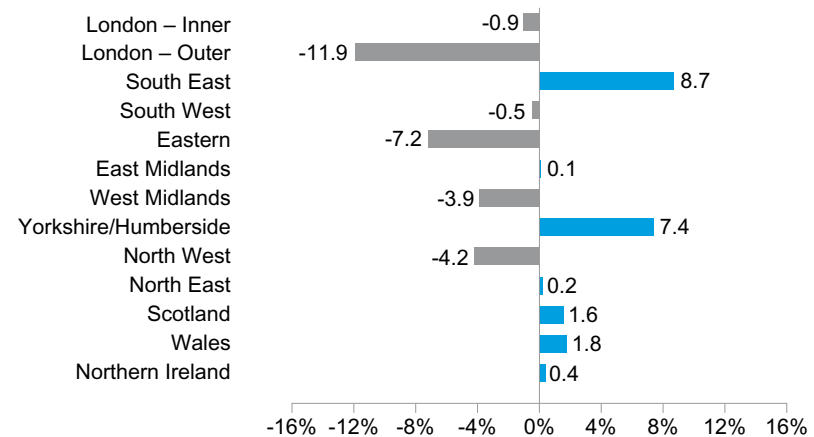
- As UK real estate continues to offer attractive relative performance attributes, Columbia Threadneedle Investments continue to believe TPEN PF is well placed to capture further positive growth prospects through its enduring focus on actively managing property assets to generate a high and sustainable income yield advantage from a diverse asset and occupier base. TPEN PF's property assets currently offer a net initial yield of 4.6% against 4.1% recorded by the MSCI UK Monthly Property index (unfrozen). TPEN PF's overweight positions in regional industrials and retail warehouses should continue to provide a solid foundation for performance over the course of 2022.

Property Portfolio Sector and Geographical Positioning

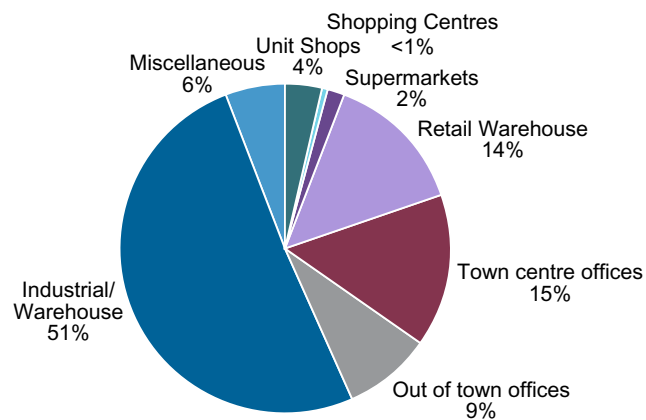
Property portfolio weighting – geographical split



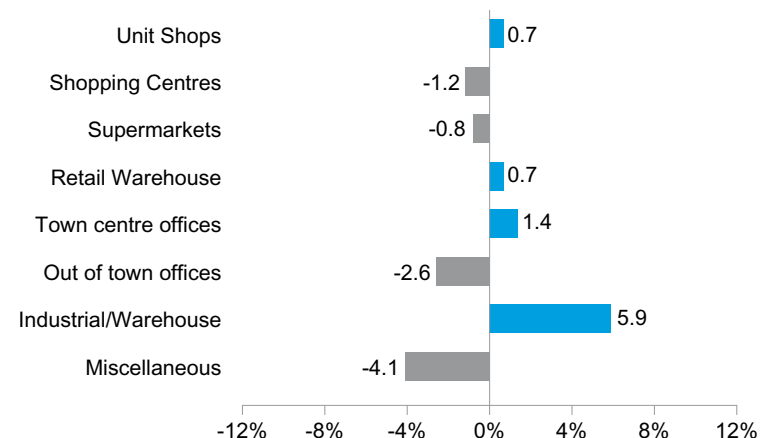
Relative portfolio weighting (%) versus MSCI Monthly Index



Property property weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index



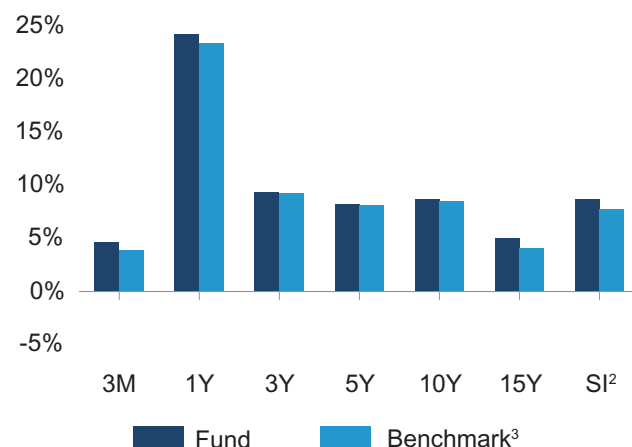
Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 30 June 2022

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

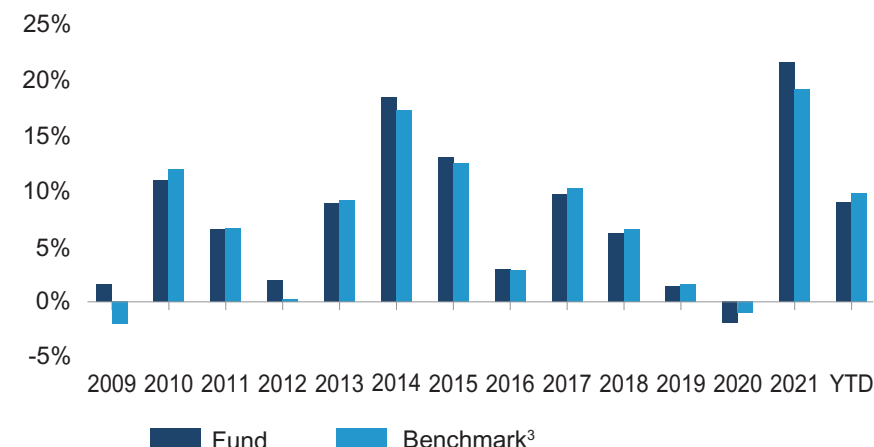
Fund Performance

Long Term Performance

Discrete periods¹



Calendar Years



Fund Performance

Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	4.6	8.9	24.1	9.3	8.2	8.7	5.0	8.7
Benchmark**	3.9	9.8	23.3	9.2	8.1	8.5	4.1	7.7
Relative (Arithmetic)	0.7	-0.8	0.7	0.1	0.1	0.2	0.8	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
Sittingbourne	Spade Lane DC	Industrial / Warehouse	50-75
Watford	Penfold Works	Industrial / Warehouse	25-50
South Ockendon	Next DC	Industrial / Warehouse	25-50
London EC1	28-42 Banner Street	Town Centre Office	25-50
London EC1	29-35 Farringdon Rd	Town Centre Office	25-50
Cambridge	Compass Hse, Vision	Out of Town Office	25-50
Bristol	G Park, Next DC	Industrial / Warehouse	25-50
Woodford	Woodford Ind. Est.	Industrial / Warehouse	25-50

Tenant

	% of rents passing
Next Group Plc	3.3
Liberty Global Plc – Virgin Media	3.2
Magnet Limited (NOBIA AB)	2.1
John Lewis Partnership Plc (Waitrose)	1.6
Travis Perkins Plc	1.5
Norton Group Holdings (The Range)	1.4
Co-operative Group Limited	1.4
Heidelberg Cement AG (Hanson)	1.4
Currys Plc	1.3
Invesco Ltd	1.3

Source: Columbia Threadneedle Investments as at 30 June 2022

Investment Activity – Key Purchases and Sales Over Q2 2022

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
None				
Sales				
Units 1 & 2, The Very Group, Bryn Lane, Wrexham	Q2 2022	Industrial / Warehouse	25-50	5.4
2100 Daresbury Park, Daresbury, Warrington	Q2 2022	Out of Town Offices	2.5-5	–
50/58 Parliament Street, Harrogate	Q2 2022	Unit Shop	0-2.5	–
Midlands Distribution Centre, Mill Road, Rugby	Q2 2022	Industrial / Warehouse	10-25	4.8
Imperial Arcade, Huddersfield	Q2 2022	Unit Shop	0-2.5	–
Imperial House, Huddersfield	Q2 2022	Unit Shop / Town Centre Office	0-2.5	–
Building 6010, Western Approach, Bristol	Q2 2022	Industrial / Warehouse	5-10	3.9
The Cube, Whitehouse Ind. Est., Preston Brook, Runcorn	Q2 2022	Industrial / Warehouse	10-25	4.6
19/21 High Street, Newtown	Q2 2022	Unit Shop	0-2.5	–
Bear Lanes Shopping Centre, Newtown	Q2 2022	Shopping Centre	0-2.5	16.1
Units A&B, Weston Super Mare	Q2 2022	Retail Warehouse	0-2.5	–

Source: Columbia Threadneedle Investments as at 30 June 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. Sustainability risks are integrated into the fund's investment decision making process for financial Risk Management purposes only

Responsible Investment: portfolio monitoring

Sustainability Dashboard – quarterly performance metrics

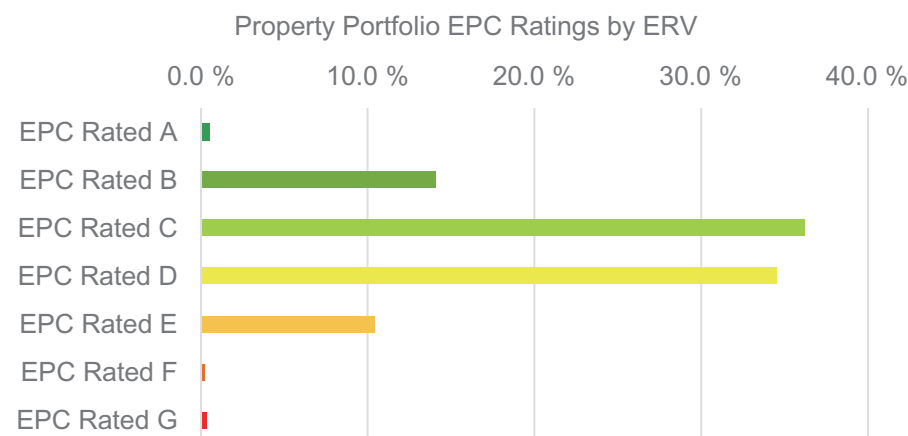
Property infrastructure: EPCs

Target EPC 'B' by 2030



Key performance metrics

Portfolio coverage (whole portfolio)	c.96%
Works projects completed (past 12 months)	16
Refurbishments delivered 'B' or better	c.87%



Source: Columbia Threadneedle Investments. EPC data as at July 2022, 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) as at 30 June 2022.

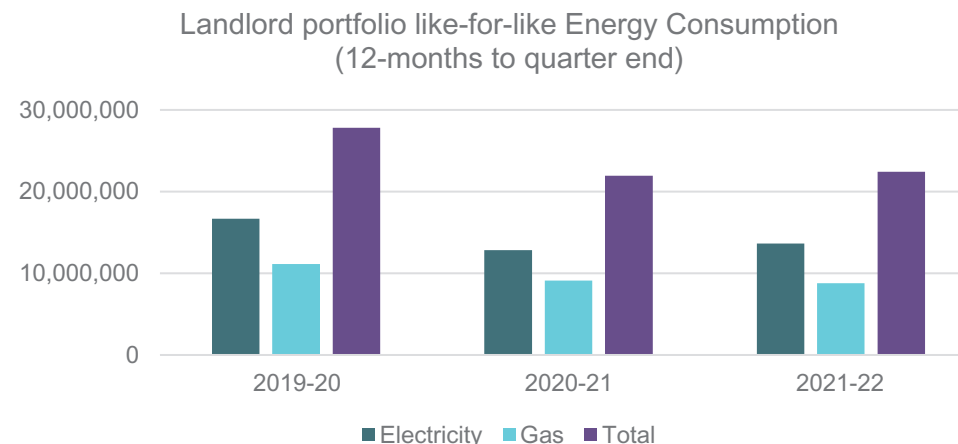
Property performance: Energy use

Target 20% reduction by 2030



Key performance metrics

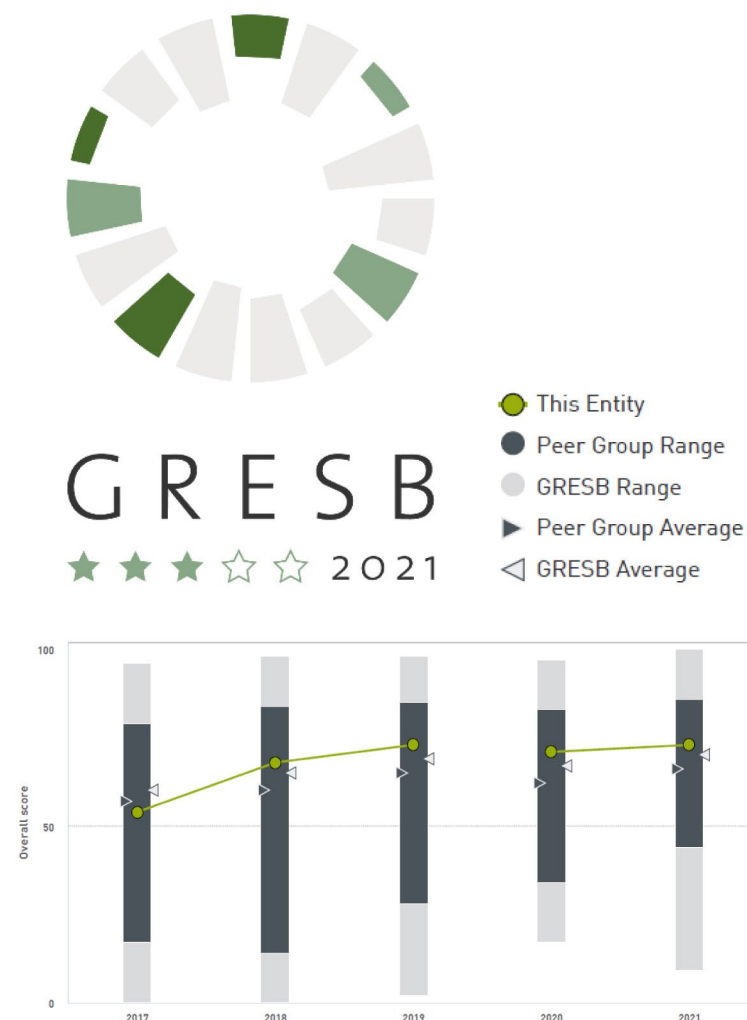
Portfolio coverage (LL managed portfolio)	84%
Energy consumption change L-f-L, Y-on-Y*	+2.2%
Energy consumption change vs baseline**	-20.6%



Source: Columbia Threadneedle Investments. Based on energy data from standing investments from 1 April 2019 - 31 March 2022 where the fund has operational control ('landlord managed portfolio'). Targets are indicative and are in no way a guarantee of performance. Portfolio coverage expressed as % of floor area. Consumption changes expressed as % change between energy data for 12-months to 31 March 2021 against 12-months to *31 March 2021 **31 December 2019.

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. Sustainability risks are integrated into the fund's investment decision making process for financial Risk Management purposes only

Responsible Investment: Net Zero carbon

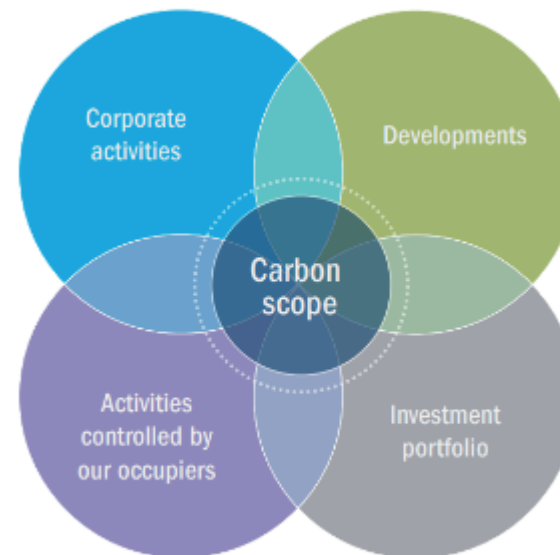
UK Real Estate commitment to decarbonise our portfolios

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

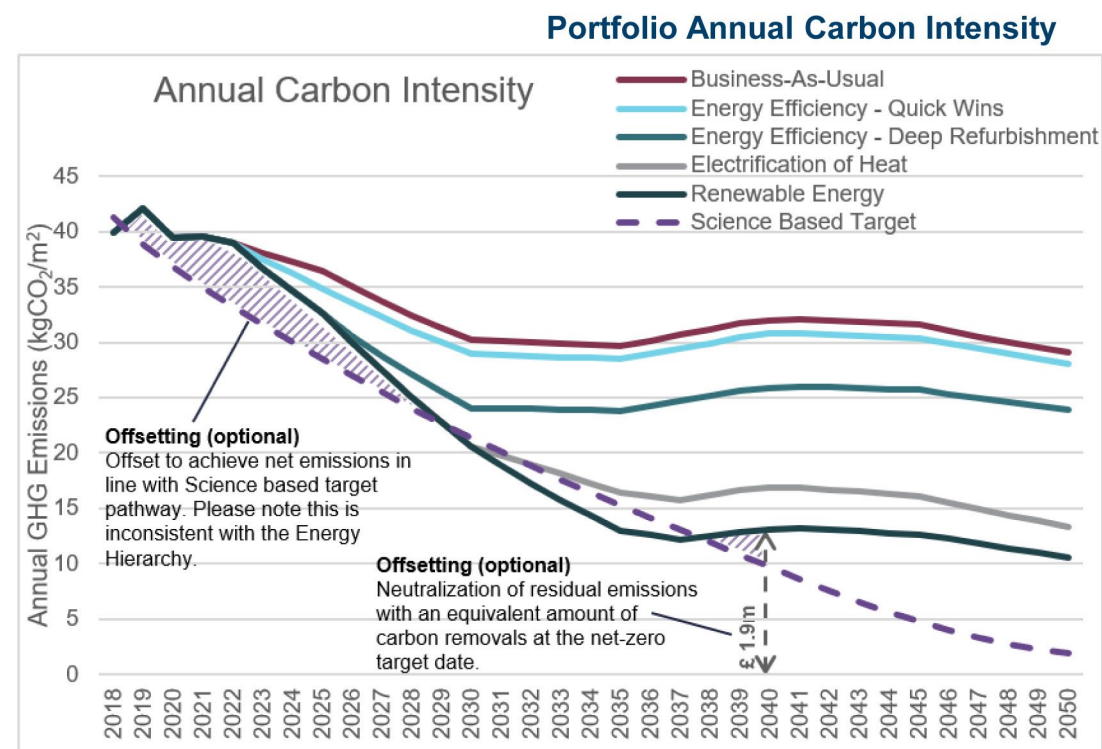
All landlord-controlled emissions, water and waste consumed and produced through our managed portfolio

Source: Columbia Threadneedle Investments UK Real Estate Net Zero Strategy & Pathway, August 2021. Sustainability risks are integrated into the fund's investment decision making process for financial Risk Management purposes only

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	
Offsetting	2040	£1.9m pa	Residual
Cumulative cost & saving impact		£211m / £12m pa	c.51%



- 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 **£30.1 million**

Source: EVORA Net Zero Target & Sensitivity Analysis, TPEN 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. Cap ex budgeted for 2022 as at July 2022. Sustainability risks are integrated into the fund's investment decision making process for financial Risk Management purposes only

Asset management activity

Refurbishment & letting: St John's Square, London EC1

- **Approximately 7,400 sq ft self contained office building** (with public house at ground floor level), located in the centre of Clerkenwell, EC1
- The Fund has undertaken an extensive Grade A refurbishment of first and second floors totalling approximately 3,150 sq ft to include a Cat A+ fitted solution which PC'd in January 2022
- Cat A+ fitted solution accommodation let to two separate occupiers on headline rental levels of £66 per sq ft and £66.50 per sq ft respectively by June 2022
- The third to fifth floors totalling approximately 4,220 sq ft are currently undergoing refurbishment in line with the same Cat A+ fitted solution specification, due to PC Q3 2022
- An Agreement for Lease has Conditionally Exchanged on approximately 3,250 sq ft (approximately 77% of total void) reducing post refurbishment void with an achieved headline rent of £71.20 per sq ft on the fourth floor



Outcomes:



Financial



Environmental



Social

Rental uplift **+14%** on pre-refurbishment office ERV (£62.50 per sq ft to £71.20 per sq ft)

EPC improved to a 'B' rating (prior 'C'), retention of existing light fittings on first and second floors, new VRF / LED lighting, new timber floor finishes, Smart Tech ready

Local employment created / shower facility upgraded

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

	Jul 2021	Oct 2021	Jan 2022	Apr 2022	Jul 2022	Target
Property assets	268	268	273	274	258	–
Rateable units	1,370	1,382	1,348	1,333	1,287	–
EPC coverage (% rateable units)	93.2%	94.3%	93.1%	98.0%	96.4%	100%
EPC rated A (% rateable units)	0.7%	0.5%	0.5%	0.6%	0.5%	>25%
EPC rated B (% rateable units)	9.3%	10.1%	10.8%	12.7%	14.1%	>50%
EPC rated C (% rateable units)	34.9%	35.9%	33.5%	36.6%	36.2%	<25%
EPC rated D (% rateable units)	35.7%	35.4%	36.4%	36.1%	34.5%	0% by end 2030
EPC rated E (% rateable units)	10.3%	10.5%	10.5%	11.1%	10.4%	0% by end 2030
EPC rated F (% rateable units)	1.2%	1.0%	0.9%	0.7*	0.2*	0% by end 2022
EPC rated G (% rateable units)	0.9%	0.7%	0.5%	0.3%**	0.3%**	0% by end 2021

Source: Columbia Threadneedle Investments. All data as at July 2022 unless otherwise stated. Notes: As at July 2022 * three properties have units rated EPC 'F'; two are located in Scotland which is subject to differing rating systems and regulations, the other is being refurbished with an EPC of C target 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

	April 2018 to March 2019	April 2019 to March 2020	April 2020 to March 2021	12 months to Dec 2021	Target
Property assets	287	282	274	259	n/a
Landlord managed assets (S/C)	117	117	114	112	n/a
Data coverage: landlord-managed assets (gross floor area)	86%	85.5%	89.3%	86.0%	100%
Total Landlord-Managed portfolio energy consumption – absolute				23,884,957 kWh	–
Tenant managed assets (FRI)	170	165	160	147	n/a
Data coverage: tenant-managed assets (gross floor area)	13%	18.5%	19.9%	61.5%	TBA
Total Tenant-Managed portfolio energy consumption – absolute				31,223,040 kWh	–
Data coverage: whole portfolio (gross floor area)	52%	54.5%	58.2%	78.3%	TBA
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%)	TBA
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%)	TBA
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%)	TBA

Note:

- 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. Note all data for 2018, 2019 and 2020 is based on 12-months to 31 March on specified year. 2021 data is based on 12-months to 31 December 2021. 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

	April 2018 to March 2019	April 2019 to March 2020	April 2020 to March 2021	12 months to Dec 2021	Target
Property assets	287	282	274	259	n/a
Landlord managed assets (S/C)	117	117	114	112	n/a
Data coverage: landlord-managed assets (gross floor area)	86%	85.5%	89.3%	86.0%	100%
Tenant managed assets (FRI)	170	165	160	147	n/a
Data coverage: tenant-managed assets (gross floor area)	13%	18.5%	19.9%	61.5%	TBA
Data coverage: whole portfolio (gross floor area)	52%	54.5%	58.2%	78.3%	TBA
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%)	TBA

Source: Columbia Threadneedle Investments. Note all data for 2018, 2019 and 2020 is based on 12-months to 31 March on specified year. 2021 data is based on 12-months to 31 December 2021. 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

		April 2018 to March 2019	April 2019 to March 2020	April 2020 to March 2021	12 months to Dec 2021	Target
Property assets		287	282	274	259	n/a
Landlord managed assets (S/C)		117	117	114	112	n/a
Data coverage: landlord-managed assets (gross floor area)	Water	39.4%	32%	34.6%	32.1	100%
	Waste	86.1%	33%	40.8%	26.9	100%
Tenant managed assets (FRI)		170	165	160	147	n/a
Data coverage: tenant-managed assets (gross floor area)	Water	0	4%	14.3%	26.5	TBA
	Waste	0	4%	11.4%	15.6	TBA
Data coverage: whole portfolio (gross floor area)	Water	21.6%	22.0%	25.1%	36.5	TBA
	Waste	13.5%	26.8%	27.1%	21.8	TBA
Total water consumption – absolute		88,180 m ³	232,058 m ³	192,443 m ³	71,530 m ³	TBC
Total waste consumption – absolute		1,634 tonnes	3,247 tonnes	3,321 tonnes	1,740 tonnes	TBC

Source: Columbia Threadneedle Investments. Note all data for 2018, 2019 and 2020 is based on 12-months to 31 March on specified year. 2021 data is based on 12-months to 31 December 2021. 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 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	Jul 2021	Oct 2021	Jan 2022	Apr 2022	Jul 2022	Target
Property assets	267	268	261	262	246	n/a
Low	205 (80.2%)	206 (80.1%)	200 (79.4%)	200 (79.0%)	188 (77.3%)	TBA
Medium	53 (16.8%)	53 (17.0%)	52 (17.8%)	52 (17.8%)	53 (20.8%)	TBA
High	6 (2.1%)	6 (2.0%)	6 (2.0%)	6 (1.9%)	3 (0.7%)	TBA
Extreme	3 (0.9%)	3 (0.9%)	3 (0.9%)	4 (1.2%)	2 (1.1%)	TBA
Extreme risk assets			High risk assets			
World of Golf, New Malden (small element of site)			1-6 Broadway, Wood Green, London N22			
Castle Mill Works, Dudley (small element of site)			The Priory Centre, Worksop			
			261-309 High Road, Loughton			

Source: Columbia Threadneedle Investments. All data as at July 2022 unless otherwise stated. Notes: Flood Risk Assessments commissioned on residual three High / two 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.

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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