Threadneedle Pensions Limited, Property Fund

Quarterly Report as at 31 March 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 1,442 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Quoted price* (Currently Bid)	6.6278
■ NAV	6.7109
■ 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 March 2024

Portfolio Highlights

NAV
£1.442 billion

Properties
159

Average lot size
£8.6 million

Gross rent roll
£93.3 million p.a.

Tenancies
908

Cash
4.9% (6.0%)*

Vacancy rate
9.4% (10.3%)

WAULT 4.4 years
(6.6 years)

GRESB Rating
77/100

%NIY

Net Initial Yield
6.3% (5.4%)

%EY

Equivalent Yield
8.1% (7.1%)

Total Return
0.5% (-0.7%)*
(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 March 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

UK Economy

Q1 2024

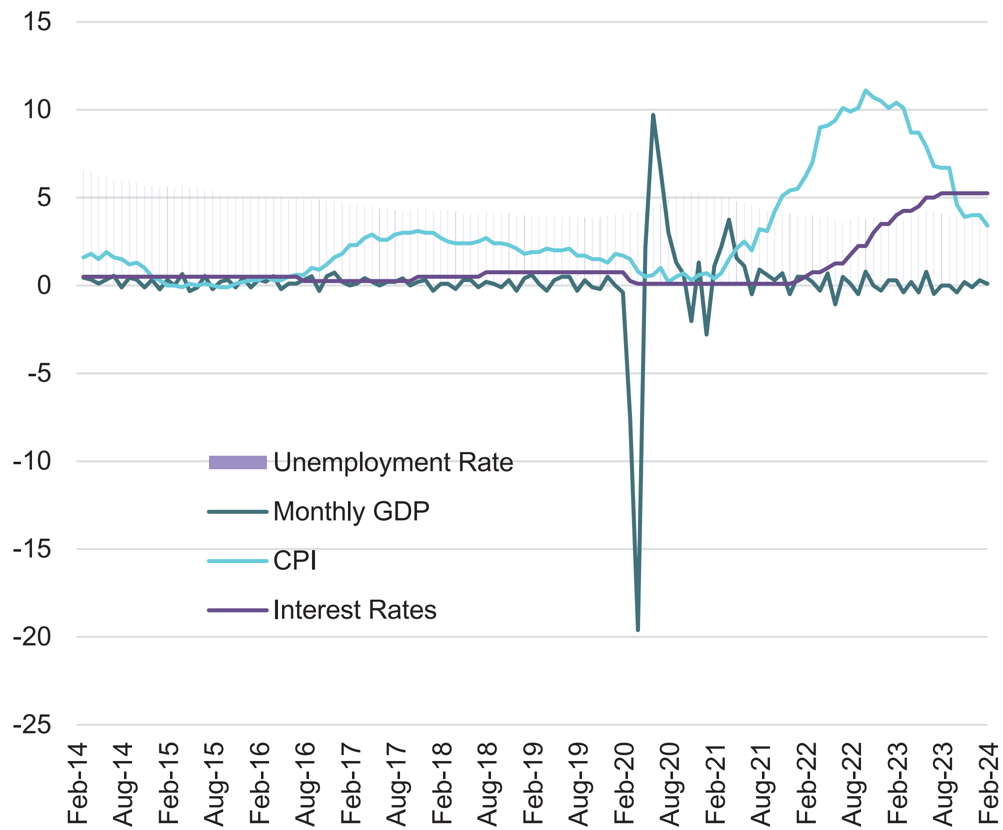
The Q1 24 preliminary estimate for UK GDP indicated the country has most likely exited the shallow technical recession it had seen at the end of 2023. GDP is estimated to have grown by 0.1% in February, following growth of 0.3% in January 2024, reversing most of the fall in output seen in late-2023. Headwinds remain as the higher interest rate environment continues to hamper economic growth.

Headline inflation rose by 3.2% y-o-y to March down from 4.0% in the 12 months to December. The slowing trend is likely to continue as energy and food price inflation drift downwards. Inflation is expected to return to close to the Bank of England's (BoE) 2.0% target in May and this is despite the Red Sea disruptions which may add 0.2ppts – 0.3ppts to inflation over the rest of this year due to higher shipping costs.

The BoE voted to hold the base rate at 5.25% at its last meeting in March as it continues to target lower inflation and bring the level closer to its 2.0% target. The downward trend could clear the way for a cut to the interest rate sooner than expected just a few months previously with market expectations having shifted towards the anticipation of a first rate cut by the second quarter of the year, possibly as early as June.

The labour market remains constrained by historical standards with unemployment at 4.2% in February, although falling response rates to the Labour Force Study has made the data increasingly unreliable. Average total pay (excl. bonuses) grew at an annual rate of 6.0% in the 3 months to December. Retail sales volumes were up 1.9% in Q1 although unexpectedly flat in March but, rising real household incomes should support retail activity as the year progresses.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2024. ONS data as at date stated.

Market Context

Occupier Market

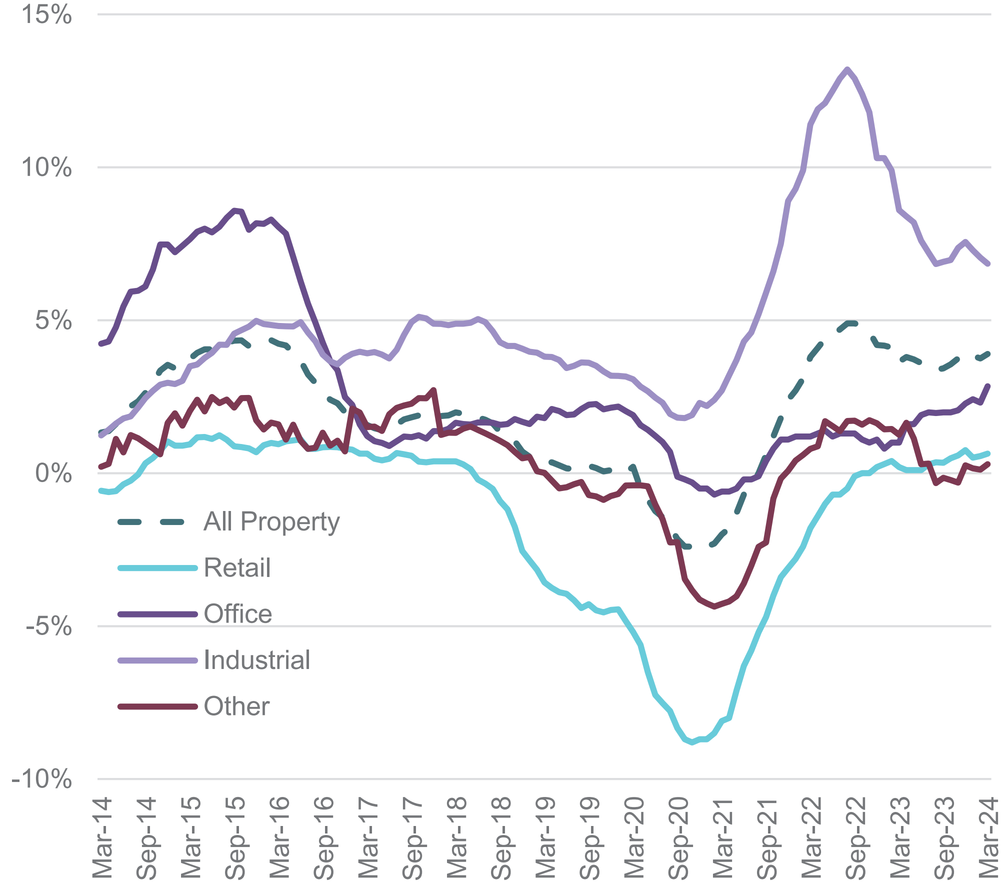
Q1 2024

The retail warehouse sector continues to attract strong investor interest. Vacancy rates are markedly lower for retail warehouses when compared to shopping centres or high street shops. Footfall has also proven to be more resilient than other areas of the retail sector, particularly for schemes with a more discount-oriented line-up. Appetite for the sector is not expected to change for the foreseeable future.

Positive rental growth is still being recorded in some low vacancy logistics locations across the country, but at levels much moderated from the record-breaking growth seen through the years immediately post-covid. Despite weaker overall occupational demand which will feed the slower upswing in rents, some of this will be offset by the slowing development pipeline. Newly delivered stock will contribute to an increasingly polarised rental market and a widening gap between prime and secondary rents as occupiers chase the best quality space, both new-build and refurbished secondary and stock with ESG credentials

Sentiment towards the office sector remains very weak, as the sector grapples with new working habits and a weaker economic backdrop. The vacancy rate in both London and key regional cities has been rising over the past twelve months, but the rate of increase is beginning to slow. This is partly due to developers scaling back on schemes, especially speculative schemes where financing is much harder to obtain. Construction costs are still elevated, and the situation will hold back the much-needed high-quality supply in 2024 and 2025. Landlords are scrutinising their portfolios to identify schemes that have sufficient existing EPC ratings and those projects that could be easy wins in terms of upgrading and/or refurbishment. There is less willing to take on offices that require substantial upgrades given the high cost of capital expenditure.

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



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

Market Context

Investment Market

Q1 2024

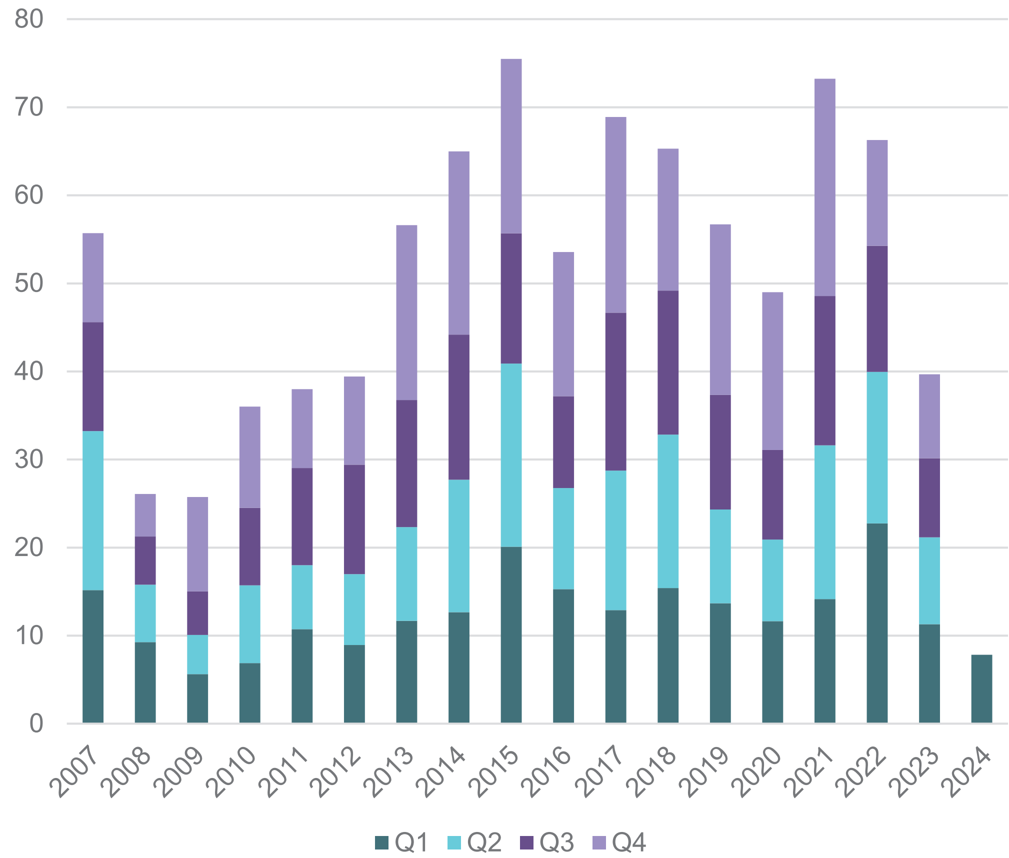
Preliminary estimates for Q1 24 investment activity showed a volume of c.£8.5BN, c.10% below Q4 23 volumes. Capital value declines have moderated for favoured sectors, with pricing expected to bottom-out through mid-2024 with retail warehousing perhaps the lead indicator of nascent pricing recovery. Some further asset repricing is anticipated in non-favoured sectors, for example offices where vacancy continues to rise. Attractive buying opportunities exist for investors brave enough to transact in an environment which does not yet offer full transparency.

Challenges remain as the market adapts to investing and financing in a higher interest rate environment. The days of ultra-low interest rates seen over the last fifteen years or so are behind us and rate-setters have indicated that markets should now expect a period of 'higher for longer'.

Nonetheless, the uptick in investment volumes in the final quarter of 2023 is hopefully the beginning of generally a healthier appetite and positive outlook for real estate across 2024, although momentum is expected to be slow to gather pace. Some of the opportunity will come from landlords needing to refinance and are facing much higher debt costs thus bringing more, good product to the market.

The underlying investor base continues to evolve as UK pension funds, estimated to account for c.£70BN of assets, gradually disinvest some of this from real estate. Meanwhile, the allocation of private equity into closed-ended real estate funds is expected to replace some of this with an estimated global aggregate of dry powder amounting to c.$400BN.

UK investment volumes (GBP bn)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2024, MSCI Real Capital Analytics Q1 2024

Market Context

Returns & Outlook

Q1 2024

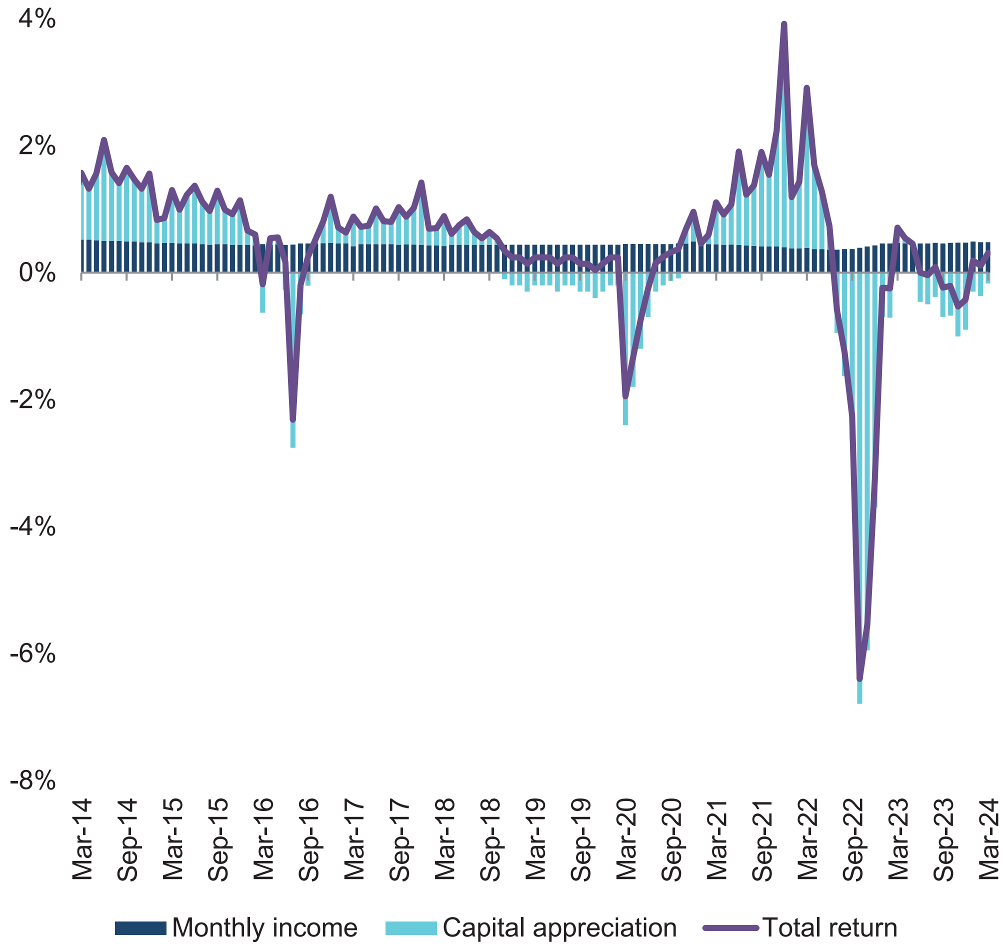
Total returns for the UK commercial property market turned positive in Q1 24 with the MSCI UK monthly index recording a return of 0.6% (0.3% on a 12-month basis to March). Retail was the standout sector and the best performing with a total return in the three months to March of 1.5%. Offices continued to struggle and were the only sector to register a negative total return performance in the first quarter of -1.4%.

All property capital values declined by -0.8% in the quarter and recording a -5.3% decline on a 12-month basis. Despite the ongoing economic headwinds, income returns remained positive in Q1 24 at 1.5% (5.8% on a 12-month basis), demonstrating the resilient income credentials that underpin the UK commercial property market.

Income returns will underpin the expected improvement in total returns whilst yield-driven capital growth is likely to be limited, at least short to medium term. This will drive the continued divergence in performance across property types. Over time the benefits of looser monetary policy will drive on activity, but the impact is unlikely to be seen fully until 2025. 2024 will continue to see the impact of the 515 basis points worth of tightening since late-2021 feed through to the real economy.

The all-property' net initial yield as at the end of March 2024 was 5.6%, increasing marginally from 5.5% in Q4 23. With the era of ultra-low interest rates behind us there is some further value correction to come, although expected to bottom-out by the middle of the year. This alongside more conservative LTVs, increased margin costs and potentially elevated rates of under- and non-performing loans could see increased instances of bank-forced sales, creating further opportunity for market dislocation.

UK commercial property monthly total returns



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

Market Context

Real estate context: state of the market

Key sector metrics as at end March 2024

Trending key: Strengthening / Stable / Weakening	Industrials	Offices	Retail	Alternatives
Headlines	Development pipeline slows further, exacerbating the lack of quality supply	Sentiment remains weak but vacancy is beginning to plateau but at elevated levels	Strong investor and occupier demand for out-of-town schemes but options limited	Structural and demographic changes favour 'Beds' and 'Meds'
Vacancy* (By Market Rent)	6.9%	22.8%	6.2%	2.3%
Rental Growth* (Annualised)	6.9%	2.8%	0.6%	4.1%
Prime Yield Pricing** (Net Initial Yield, rack rented)	Distribution 5.25%	London (City) 5.75%	Warehouse 6.00%	Student 5.00%
	Multi-let 5.25%	Regions 6.50%	High Street 7.00%	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 Underweight in-town	Favour, strategic land, 'meds' and residential including student housing

Finance:
5-year Gilt: 3.8%
5-year Swap: 3.8%

Real estate*:
NIY: 5.6%
EQV: 7.1%

Spread: 3.3%
(5-year Gilt to EQV)

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

Fund Overview – Q1 2024

Portfolio Activity

- During Q1 2024, the Threadneedle Pensions Limited Pooled Property Fund (TPEN PF) made 3 strategic asset sales with an achieved total sales receipt of c.£20.2m. 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 153 new lettings/lease renewals were successfully completed in the 12 months to the end of Q1 2024, with a combined rental value of c.£11.0m per annum. Importantly, TPEN PF continues to maintain high levels of occupier retention at ‘tenant break options’, with just 12 out of 127 options being exercised (c.91% 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.£2.82m 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 Q1 24 (as at Day 14) stands at 93%. For the previous quarter (Q4 23) rent collection is c.96%, in line with pre pandemic levels. 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 Q1 2024, TPEN PF’s liquidity position was c.£93.5m, equivalent to c.6.5% of net asset value (NAV), excluding debtors and creditors. 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 Q1 2024, TPEN PF generated a total return of 0.8%, outperforming the MSCI/AREF UK ‘All Balanced Open-Ended’ Property Fund index (the benchmark) weighted average total return of 0.5%. For the year ending 31 March 2024, the TPEN PF generated a total return of +0.5%, outperforming the benchmark return of -0.7%. Over the medium to long term, the TPEN PF has delivered annualised total returns against the benchmark of 2.4% versus 1.5% over three years; 1.7% versus 1.4% over five years; 5.4% versus 5.2% over 10 years.

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

Attribution – (source executive summary over 12 months)

- During the 12 months ending 31 March 2024, TPEN PF’s directly held property assets (excluding property hold costs and cash) generated a total return of 2.9%, outperforming the broader property market on a relative basis by +3.2% (as represented by the MSCI UK Monthly index – unfrozen). This was achieved through a positive relative income return of +1.1% and relative capital value performance of +2.1%. TPEN PF’s retail assets outperformed the wider market by +4.2%, delivering a total return of 4.9% with a relative capital value of +3.0%. Offices outperformed by +9.6% relative to the market, producing a total return of -3.3% 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 office portfolio, is evidenced by these figures. TPEN PF’s industrial assets delivered a total return of 5.2%, marginally underperforming the market by -0.1%, with relative capital value performance to the market of -1.1% over the previous 12 months.

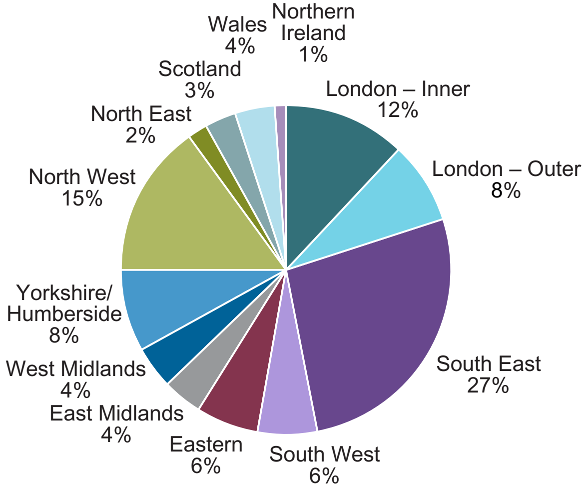
Source: MSCI UK Monthly Property index (unfrozen) and TPEN PF’s directly held assets compared to the MSCI UK Monthly Property index – March 2024).

Outlook

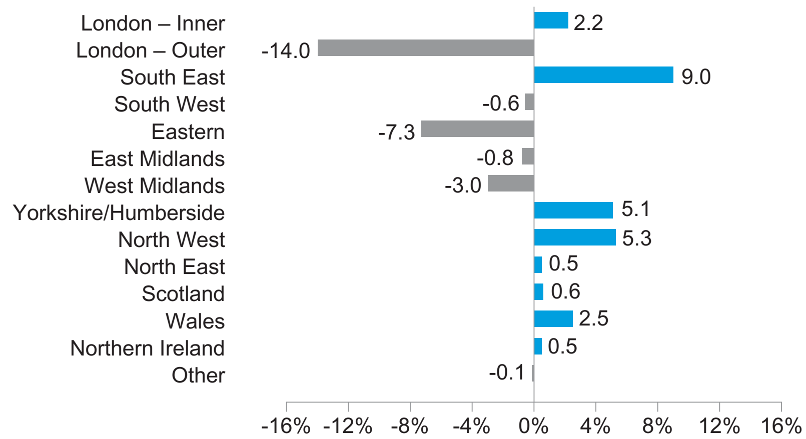
- Following a sustained period of downward pressure on capital values as the market adjusts to inflation and interest rate expectations, UK Real Estate is well placed for a cyclical capital recovery, taking advantage of an improved macro-economic outlook, whilst continuing to offer attractive income characteristics, including resilient rental growth.
- Columbia Threadneedle Investments believes TPEN PF is well placed to continue its positive total return over the long run 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. High conviction sectors such as industrials and retail warehousing will continue to benefit from structural societal trends. A strong occupational market characterised by sustainable rental income and low vacancy rates will continue to support returns on a relative basis.
- TPEN PF’s property assets currently offer a net initial yield of 6.3% against 5.4% offered by the MSCI UK Monthly Property index as at end March 2024. The Fund’s strategic overweight positions in industrials and retail warehouses should continue to provide a solid foundation for outperformance over the course of 2024.

Property Portfolio Sector and Geographical Positioning

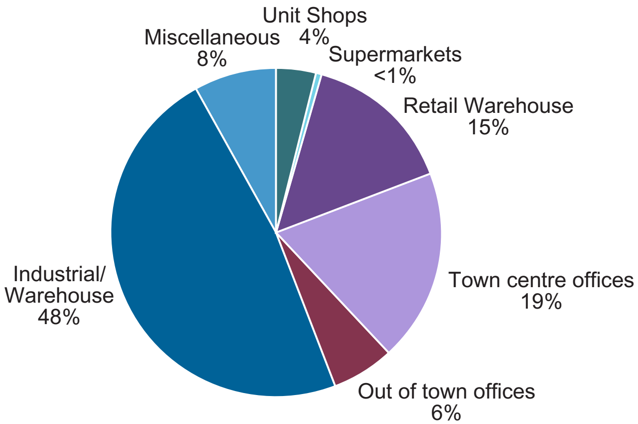
Property portfolio weighting – geographical split



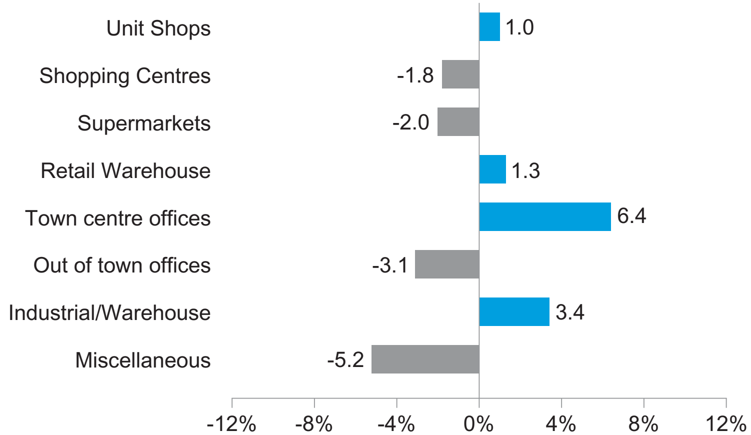
Relative portfolio weighting (%) versus MSCI Monthly Index



Property property weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

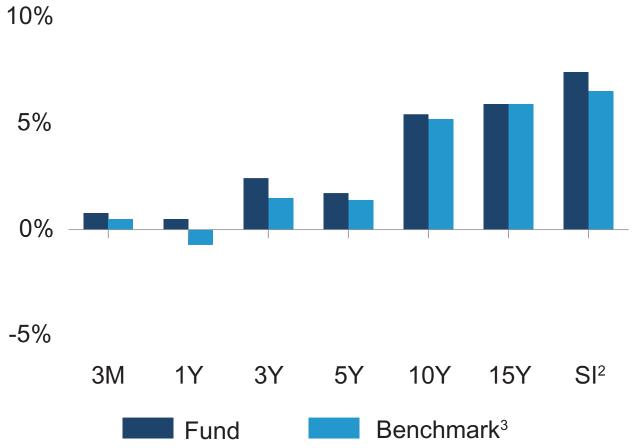


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 March 2024

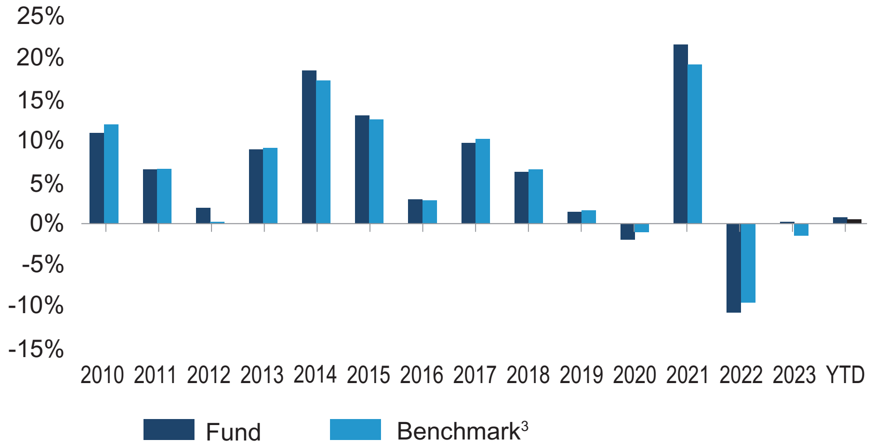
Fund Performance

Long Term Performance

Discrete periods[1]



Calendar Years



Fund Performance **Annualised Performance**

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	0.8	0.8	0.5	2.4	1.7	5.4	5.9	7.4
Benchmark**	0.5	0.5	-0.7	1.5	1.4	5.2	5.9	6.5
Relative (Arithmetic)	0.3	0.3	1.2	0.8	0.3	0.3	-0.1	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
Cambridge	Compass Hse, Vision	Out of Town Office	25-50
South Ockendon	Arisdale Ave	Industrial / Warehouse	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
Wimbledon	Wellington	Town Centre Office	10-25

Tenant

	% of rents passing
Next Group Plc	4.1
Magnet Limited (NOBIA AB)	1.6
Heidelberg Cement AG (Hanson)	1.6
Currys Plc	1.5
Invesco Ltd	1.5
Howard Tenens (North West) Limited	1.5
Maryland Midco Limited (Matalan Retail)	1.4
Associated British Foods Plc (Primark Stores)	1.3
Norton Group Holdings (The Range)	1.3
GXO Logistics Inc.	1.2

Source: Columbia Threadneedle Investments as at 31 March 2024

Investment Activity – Key Purchases and Sales Over Q1 2024

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
None				
Sales				
Manchester, 118-124 Deansgate	Q1 2024	Unit Shop	2.5-5	8.9
Twickenham, Premier House	Q1 2024	Supermarket	10-25	5.1
Forfar, 76 Dundee Road	Q1 2024	Supermarket	0-2.5	9.1

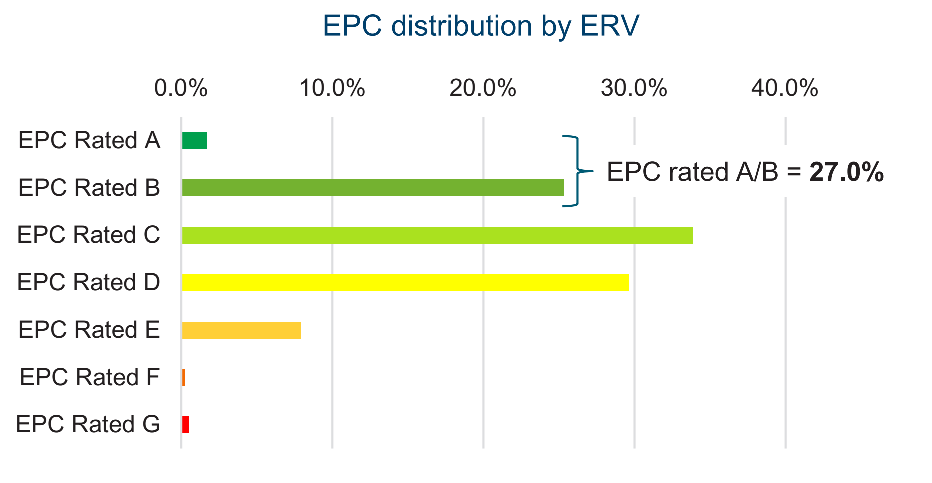
Source: Columbia Threadneedle Investments, 31 March 2024

Responsible Investment: environmental

Sustainability Dashboard – key performance indicators

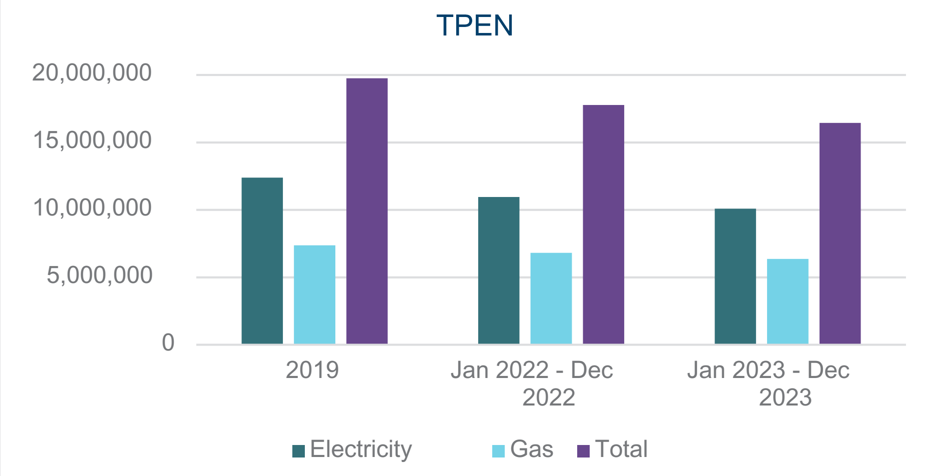
Property infrastructure: EPCs
Target EPC 'B' by 2030

Key performance metrics	
Portfolio coverage (whole portfolio, % ERV)	99.3%
Works projects completed (past 12 months)	28
Refurbishments delivering 'B' or better	78%



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

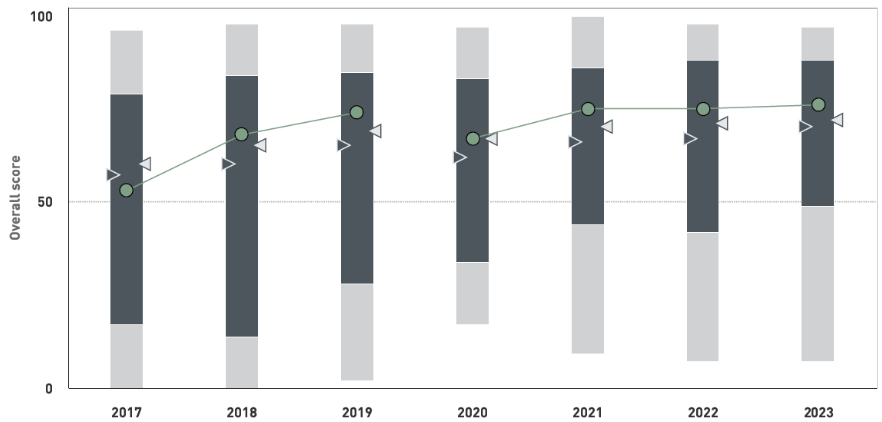
Key performance metrics	
Portfolio coverage (LL managed portfolio, % floor area)	92.5%
Energy consumption change L-f-L Y-on-Y	-7.4%
Energy consumption change vs baseline*	-16.8%



Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 31 December 2023. 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 2023

Threadneedle Pensions Limited Pooled Property Fund 2023 GRESB results



Global Real Estate Sustainability Benchmark

Key takeaways

- Seventh year of the Fund's submission to GRESB
- Scored 77 out of 100 (Peer Average = 73)
- Score Breakdown (vs Benchmark) –
  Environmental 39(36), Social 18(17), Governance 20(19).

Strengths

- Management scored 30/30 vs Benchmark 28/30
- Performance scored 47/70 vs Benchmark 43/70

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 2023. 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.

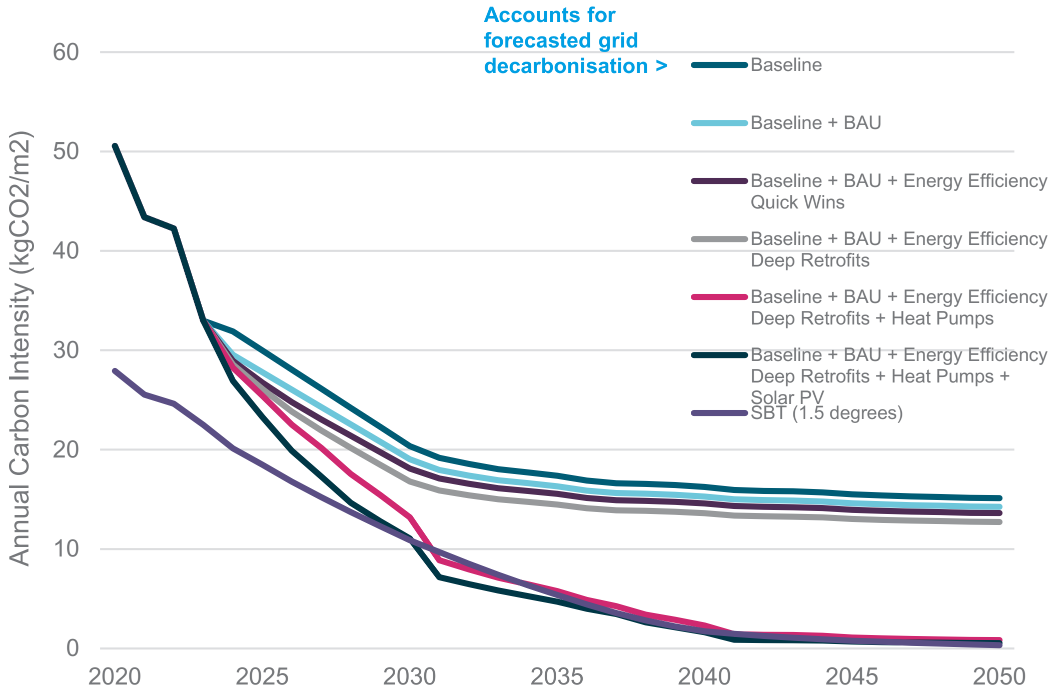
Responsible Investment: Net Zero fund pathway

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 pa**	**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 1Q18-1Q23 the Fund completed **117** capital projects investing over **£58 million** in building improvements
- Capital expenditure incurred in 12 months to 31 March 2023 is approximately **£17.3 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. Capital expenditure incurred and budgeted for remained of 2022 as at 25 October 2022. Sustainability risks are integrated into the fund's investment decision making process for financial Risk Management purposes only

Asset management activity

Refurbishment: Clarence House, Manchester

- 17,500 sq ft core city centre office
- ‘Best in Class’ office building with superior fit out
- New specification includes:
  - Specialist interior design to maximise leasing appeal
  - Smart building technology to minimise energy use
  - Energy efficient LED lighting
  - Improved water efficiency measures
  - Electric vehicle charging
  - Upgraded wi-fi connection
  - Installed shower facilities and cycle spaces

Outcomes:	**Financial**	Rental uplift **+80%** on pre-refurbishment office ERV (£25 per sq ft to £45 per sq ft)
	Environmental	EPC improved to a ‘B’ rating (previous rating ‘C’), new LED lighting with sensor control, new VRF heating/cooling systems with heat recovery
	Social	Enhanced shower/bicycle facilities on-site for staff

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

Threadneedle Pensions Limited Pooled Property Fund

Portfolio EPC data (whole portfolio)

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

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Property assets	174	172	171	162	159
Rateable units	1,009	980	975	889	886
EPC coverage (% rateable units)	98.9%	99.1%	99.3%	98.9%	99.0%
EPC rated A (% rateable units)	1.5%	1.4%	1.3%	1.6%	1.7%
EPC rated B (% rateable units)	20.1%	21.5%	23.3%	24.2%	25.3%
EPC rated C (% rateable units)	36.3%	34.5%	34.6%	33.7%	33.9%
EPC rated D (% rateable units)	29.3%	30.2%	29.5%	30.3%	29.6%
EPC rated E (% rateable units)	9.9%	10.0%	9.1%	8.4%	7.9%
EPC rated F (% rateable units)	0.4%	0.3%	0.3%*	0.2%*	0.2%
EPC rated G (% rateable units)	0.4%	0.4%	0.4%**	0.4%**	0.5%

Source: Columbia Threadneedle Investments, based on % rateable units, as at 31 March 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 Property Fund

Portfolio annual energy consumption data (whole portfolio)

Target: 20% reduction in energy consumption by 2030, where the landlord has operational control

	2018	2019	2020	2021	2022
Property assets	287	282	274	259	169
Landlord managed assets (S/C)	117	117	114	112	87
Data coverage: landlord-managed assets (gross floor area)	86%	85.5%	89.3%	86.0%	92.7%
Total Landlord-Managed portfolio energy consumption – absolute	*Not measured explicitly prior to 2021*			23,884,957 kWh	37,130,189 kWh
Tenant managed assets (FRI)	170	165	160	147	82
Data coverage: tenant-managed assets (gross floor area)	13%	18.5%	19.9%	61.5%	85.7%
Total Tenant-Managed portfolio energy consumption – absolute	*Not measured explicitly prior to 2021*			31,223,040 kWh	26,878,953 kWh
Data coverage: whole portfolio (gross floor area)	52%	54.5%	58.2%	78.3%	90.0%
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%)
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%)
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%)

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 Property 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
Property assets	287	282	274	259	169
Landlord managed assets (S/C)	117	117	114	112	87
Data coverage: landlord-managed assets (gross floor area)	86%	85.5%	89.3%	86.0%	92.7%
Tenant managed assets (FRI)	170	165	160	147	82
Data coverage: tenant-managed assets (gross floor area)	13%	18.5%	19.9%	61.5%	85.7%
Data coverage: whole portfolio (gross floor area)	52%	54.5%	58.2%	78.3%	90.0%
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%)

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 Property 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
Property assets		287	282	274	259	169
Landlord managed assets (S/C)		117	117	114	112	87
Data coverage: landlord-managed assets (gross floor area)	Water	39.4%	32%	34.6%	32.1	60.4%
	Waste	86.1%	33%	40.8%	26.9	53.3%
Tenant managed assets (FRI)		170	165	160	147	82
Data coverage: tenant-managed assets (gross floor area)	Water	0	4%	14.3%	26.5	54.3%
	Waste	0	4%	11.4%	15.6	50.3%
Data coverage: whole portfolio (gross floor area)	Water	21.6%	22.0%	25.1%	36.5	58.0%
	Waste	13.5%	26.8%	27.1%	21.8	52.1%
Total water consumption – absolute		88,180 m^3	232,058 m^3	192,443 m^3	71,530 m^3	183,540 m^3
Total waste consumption – absolute		1,634 tonnes	3,247 tonnes	3,321 tonnes	1,740 tonnes	6,017 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 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	2021	2022	2023
Property assets	262	178	160
Low	200 (79.1%)	129 (77.1%)	115 (74.9%)
Medium	52 (17.7%)	45 (21.1%)	42 (22.6%)
High	6 (2.0%)	3 (0.8%)	2 (1.5%)
Extreme	4 (1.3%)	1 (0.9%)	1 (1.0%)

Extreme risk assets	High risk assets
World of Golf, New Malden (small element of site)	Darlington, Feethams
	261-309 High Road, Loughton

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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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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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.