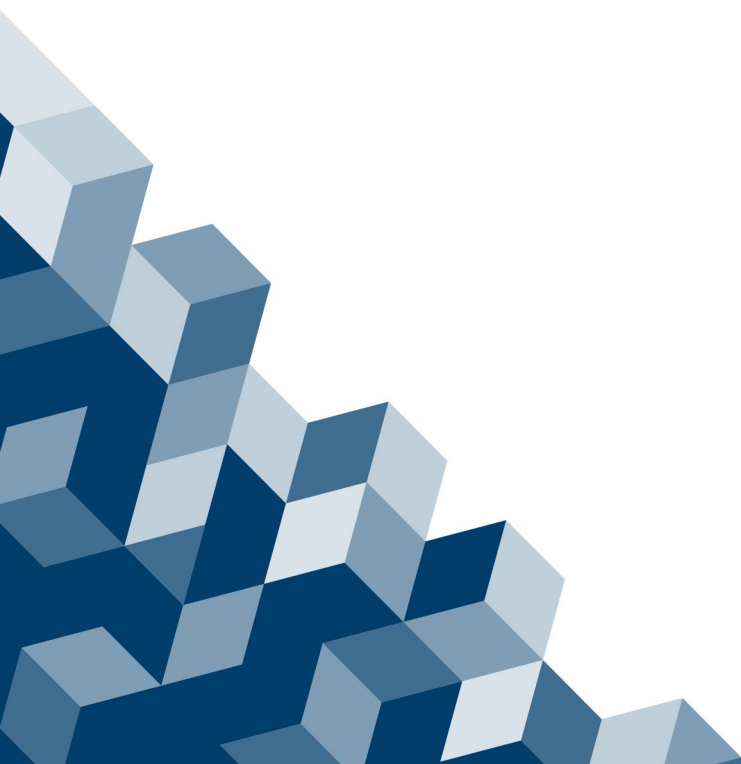


Threadneedle Pensions Limited, Property Fund

Quarterly Report as at 30 September 2023

For Existing Investors only



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Mandate Summary

Contact Information



| | |
|-------------------------------|---|
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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 1,507 million |
| ■ Benchmark | MSCI/AREF UK All Balanced Property Funds |
| ■ Base currency | GBP |
| ■ Reporting currency | GBP |
| ■ Quoted price* (Currently Bid) | 6.6617 |
| ■ NAV | 6.7469 |
| ■ 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 30 September 2023



Portfolio Highlights



NAV
£1.507 billion



Properties
171



Average lot size
£8.4 million



Gross rent roll
£94.8 million p.a.



Tenancies
961



Cash
3.2% (5.7%)*



Vacancy rate
9.4% (10.5%)



WAULT 4.4 years
(6.5 years)



GRESB Rating
77/100

%NIY

Net Initial Yield
6.1% (5.2%)

%EY

Equivalent Yield
7.7% (6.8%)



Total Return
+0.2% (-0.4%)*

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 30 September 2023. 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

Market Commentary

UK Macroeconomy

The UK economy continues to demonstrate resilience against higher interest rates, stubborn inflation and stagnant productivity. UK GDP increased by 0.2% in the three months to August 2023, primarily driven by growth in the services sector. Whilst many leading economists anticipated a 25 bps interest rate hike in September, a sustained fall in inflation resulted in the MPC voting to maintain the base rate at 5.25%, thus ending the 14 consecutive rises experienced since the end of 2021, and raises the probability that a peak in borrowing costs has been reached, as a result of which forward-looking swap rates have moderated to c.4.5%.

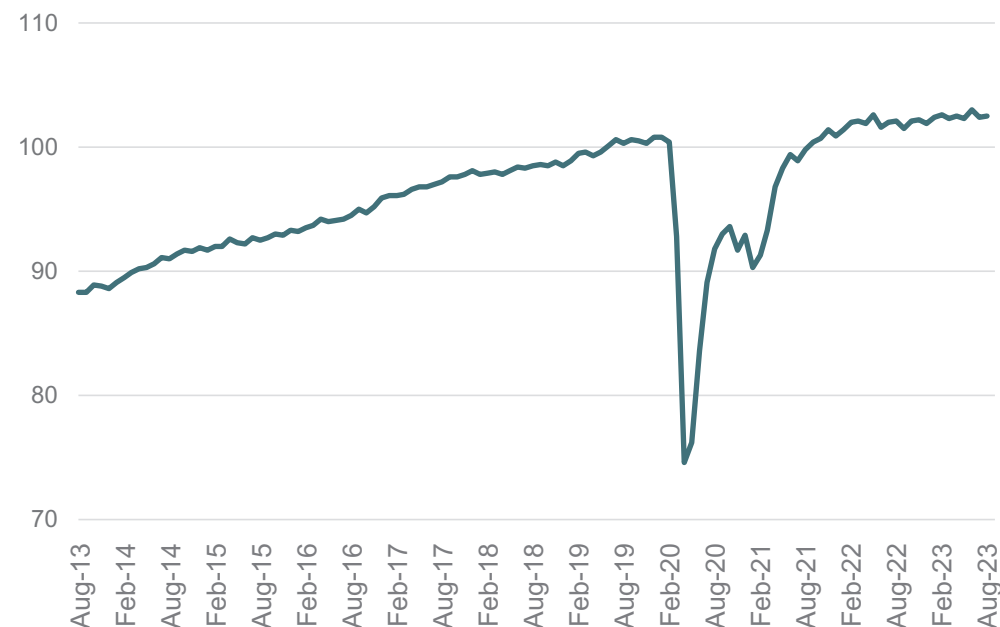
Whilst the labour market remains constrained by historical standards, lead indicators highlight unemployment increasing from 3.8% to 4.3% on the quarter and total average earnings falling from 8.5% to 8.1% in the three months to September.

The stubborn momentum of wage growth, recent events in the Middle East and the consequential rise in oil prices, may support a 'higher for longer' interest rate narrative, although there is by no means consensus around this outcome.

UK Real Estate: investment volumes

Total UK commercial property investment volumes reached c.£7.4bn for Q3 2023, a 37% decline on the 5-yearly quarterly average and lowest levels since Q3 2020. Reduced transactional volumes are to be expected given the prevailing pricing volatility through the period. We are aware that significant capital remains available for investment, particularly for high conviction growth sectors of industrial, retail warehousing and alternatives, however at a cost of capital which reflects prevailing interest rate / funding cost expectations.

10-year UK GDP (Indexed)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, ONS GDP Monthly Estimate August 23 as at 30 September 2023.

Market Context

Market Commentary (continued)

Returns

Total returns for UK Real Estate turned negative in Q3 2023, delivering -0.2% as represented by the MSCI UK Monthly Property Index, led by a -1.6% q/q decline in capital values, being partially offset by an income return of 1.4% q/q.

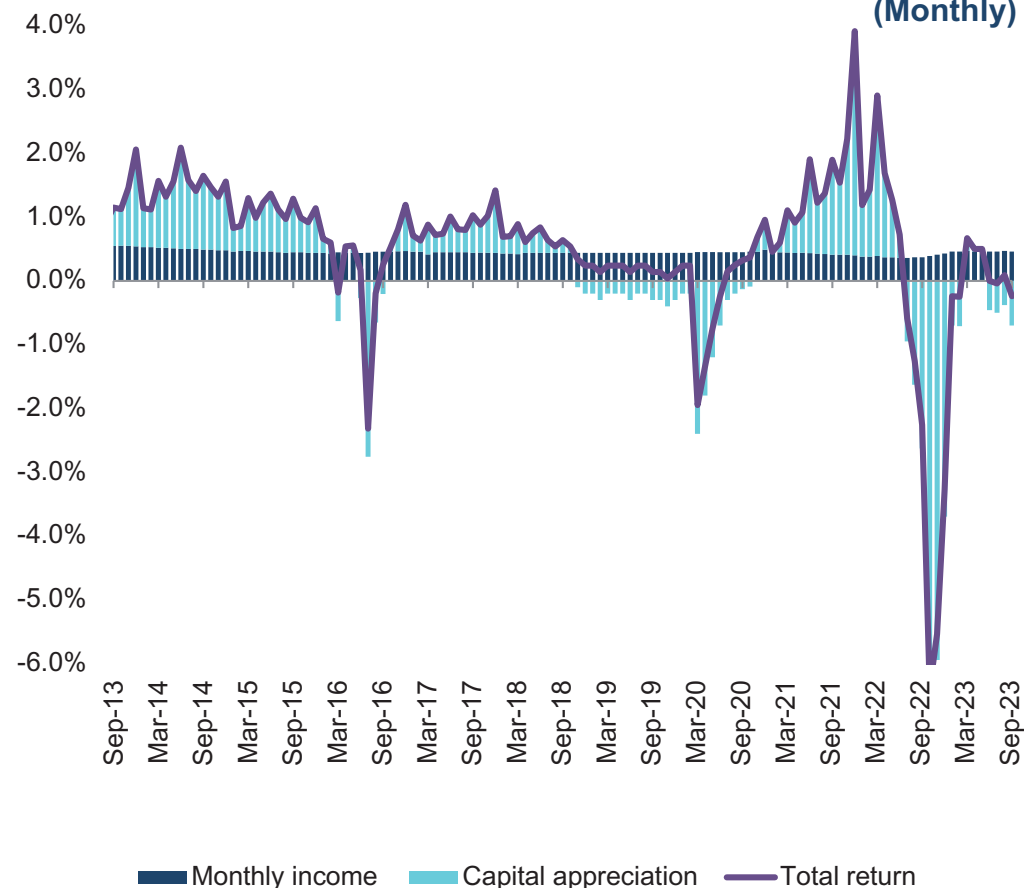
The market has seen a divergence in sector performance, with the office sector recording quarterly capital declines of -5.0% (-4.1% Q2 2023) and a total return of -3.7%, a result of structural occupational trends and heightened obsolescence risk. The industrial market was the best performing sector, delivering a total return of 1.7% for Q3 2023, with capital growth of 0.5% and a positive income return of 1.2%; emphasising the robust occupational dynamics which underpins the sector. The retail sector recorded total returns of -0.5%, with retail warehousing contributing -2.4% capital declines, as yields adjust to higher costs of borrowing. The corresponding income return remains positive at 1.7% in recognition of high occupancy levels and a limited development pipeline.

“Other” assets, such as residential and student housing, recorded modest capital declines of -0.9% q/q and avoided much of the capital volatility experienced by traditional core sectors.

Occupational trends

Despite macro-economic challenges, core occupier markets continue to show underlying resilience, with positive rental value growth of 0.8% q/q across all sectors, a marginal decline from 1.0% q/q in Q2 2023. This growth was led by the industrial sector which delivered 1.5% rental growth over the quarter.

10-year UK Commercial property total returns (Monthly)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q3 2023 report as at 30 September 2023.

Market Context

Market Commentary (continued)

Whilst rental growth remains robust, the market, especially the “big box” sub-sector, has seen a slowdown in take-up, resulting in reduced levels of annualised rental growth; currently at 6.9%, down from 7.6% at the end of Q2 2023. Conviction towards the sector, however, remains high when considering the fundamental shortage of supply and tight labour market.

The retail sector saw values turn positive in September 2023, with positive rental value growth of 0.3% q/q, an increase on the flat growth of Q2 2023.

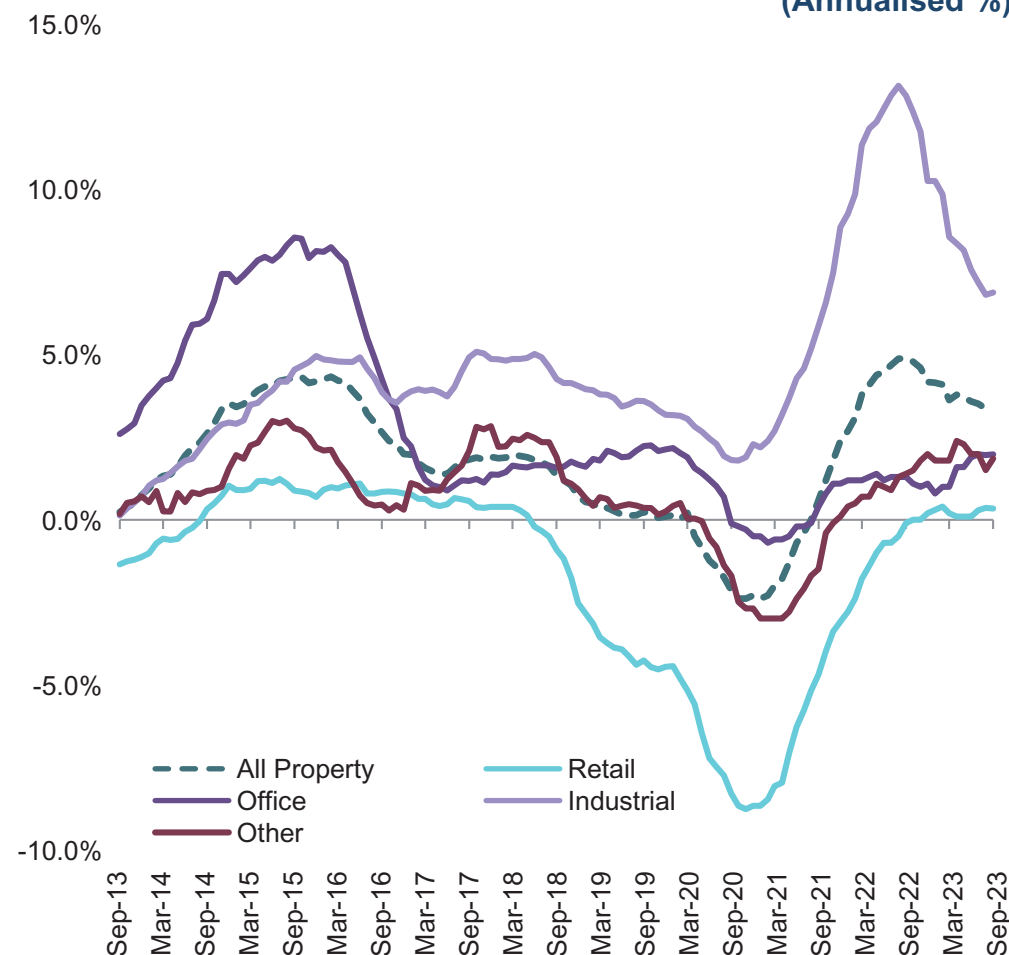
Despite a structural change in working behaviours post-pandemic, offices rents remain positive, delivering rental growth of +0.3% q/q down from the modest +1.0% q/q in Q2 2023, largely because of low national supply and strong Central London performance.

Outlook

The “All Property” Net Initial Yield at the end of September 2023 increased by 12bps over the quarter to 5.4%. While the All Property Equivalent Yield of 6.8% continues to represent a reasonable risk premium over gilts and swaps, further pressure on capital values is anticipated in some sectors, especially offices, for the remainder for 2023 as valuations take account of prevailing pricing.

Investors will be encouraged by the BoE decision to pause on an additional consecutive rate hike, as greater clarity emerges over the on trajectory of rates course of Q4 2023. High conviction sectors such as industrials and retail warehousing will continue to benefit from structural societal trends. A stable occupational market characterised by sustainable rental income and low vacancy rates, and very modest levels of debt by historic standards, will benefit on a relative basis. The extensive re-basing of capital values witnessed since June 2022 arguably provides an attractive entry point for investors considering allocations to the sector.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q3 2023 report as at 30 September 2023.

Fund Overview – Q3 2023

Portfolio Activity

- During Q3 2023, the Threadneedle Pensions Limited Pooled Property Fund (TPEN PF) made 1 strategic asset sale with an achieved total sales receipt of c.£17.0m. 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 210 new lettings/lease renewals were successfully completed in the 12 months to the end of Q3 2023, with a combined rental value of c.£16.2m per annum. Importantly, TPEN PF continues to maintain high levels of occupier retention at 'tenant break options', with just 10 out of these 129 options being exercised (c.92% 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.£4.0m 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 3Q23 (as at Day 14) stands at 94%. For the previous quarter (2Q23) rent collection is c.99%, 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 Q3 2023, TPEN PF's liquidity position was c.£54.9m, equivalent to c.3.6% of net asset value (NAV), excluding debtors and creditors. TPEN is currently targeting a number of strategic sales which will increase its liquidity in line with target (10%).
- Market volatility continues to persist as a result of the UK Government's mini-budget in September 22 which led to a rapid increase in UK gilt yields. This caused UK Defined Benefit (DB) pension funds to significantly increase redemptions to meet margin calls on Liability Driven Investment (LDI) products, prompting a liquidity crisis and an acceleration in the decline of property capital value as sales progressed to meet client demands.
- 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 Q3 2023, TPEN PF generated a total return of 0.2%, outperforming the MSCI/AREF UK 'All Balanced Open-Ended' Property Fund index (the benchmark) weighted average total return of -0.4%. For the year ending 30 March 2023, the TPEN PF generated a total return of -12.2%, outperforming the benchmark return of -14.3%. Over the medium to long term, the TPEN PF has delivered annualised total returns against the benchmark of 3.7% versus 3.2% over three years; 2.1% versus 1.8% over five years; 6.3% versus 6.0% over 10 years.

Source: MSCI/AREF UK Quarterly 'All Balanced Open-Ended' Property Fund index, as at 30 September 2023. 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 30 Sep 2023, TPEN PF's directly held property assets (excluding property hold costs and cash) generated a total return of -10.7%, outperforming the broader property market on a relative basis by +3.7% (as represented by the MSCI UK Monthly index – unfrozen). This was achieved through a positive relative income return of +0.9% and relative capital value performance of +2.8%. TPEN PF's retail assets outperformed the wider market by +6.0%, delivering a total return of -2.9% with a relative capital value of +4.7%. Offices outperformed by +0.9% relative to the market, producing a total return of -18.1% 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 reflected in these figures. TPEN PF's industrial assets delivered a total return of -11.8%, outperforming the market by +5.1%, with relative capital value performance to the market of +4.4% over the previous 12 months.

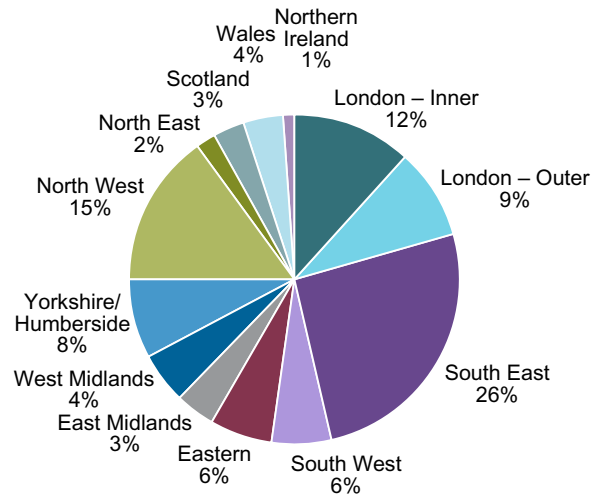
Source: MSCI UK Monthly Property index (unfrozen) and TPEN PF's directly held assets compared to the MSCI UK Monthly Property index – September 2023).

Outlook

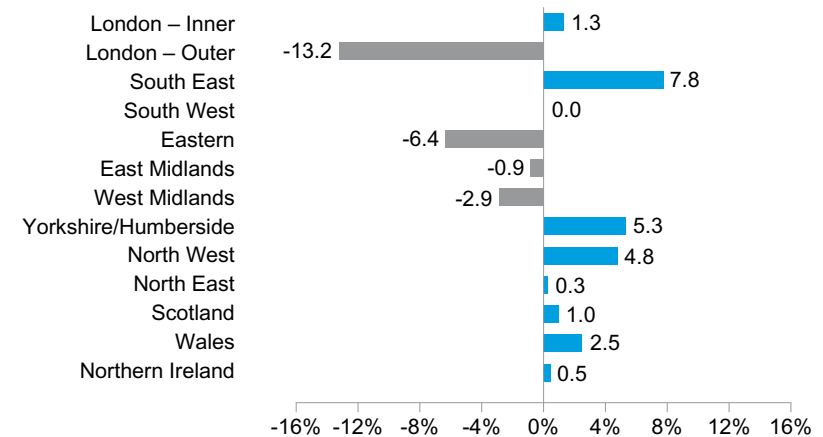
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- Investors will be encouraged by the BoE decision to pause on an additional consecutive rate hike, as greater clarity emerges over the on trajectory of rates course of Q4. High conviction sectors such as industrials and retail warehousing will continue to benefit from structural societal trends. A stable occupational market characterised by sustainable rental income and low vacancy rates, and very modest levels of debt by historic standards, will benefit on a relative basis. The extensive re-basing of capital values witnessed since June 2022 arguably provides an attractive entry point for investors considering allocations to the sector.

Property Portfolio Sector and Geographical Positioning

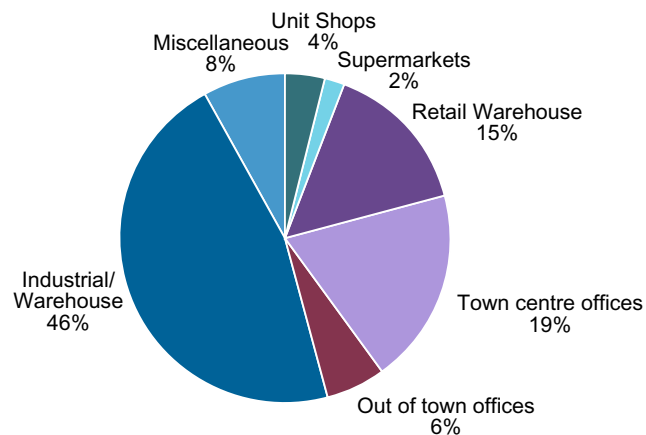
Property portfolio weighting – geographical split



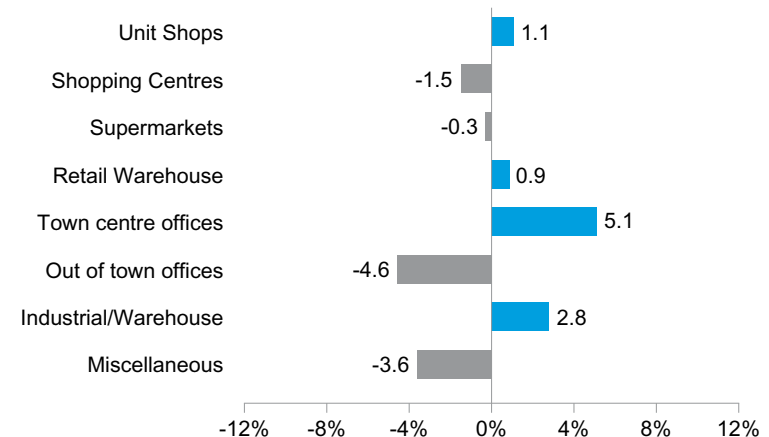
Relative portfolio weighting (%) versus MSCI Monthly Index



Property property weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

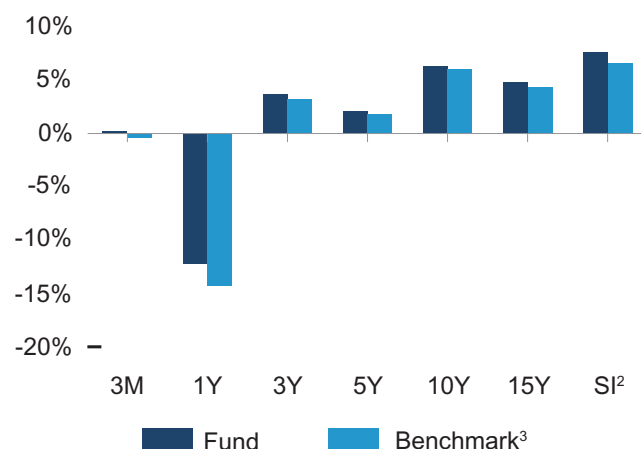


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 30 September 2023

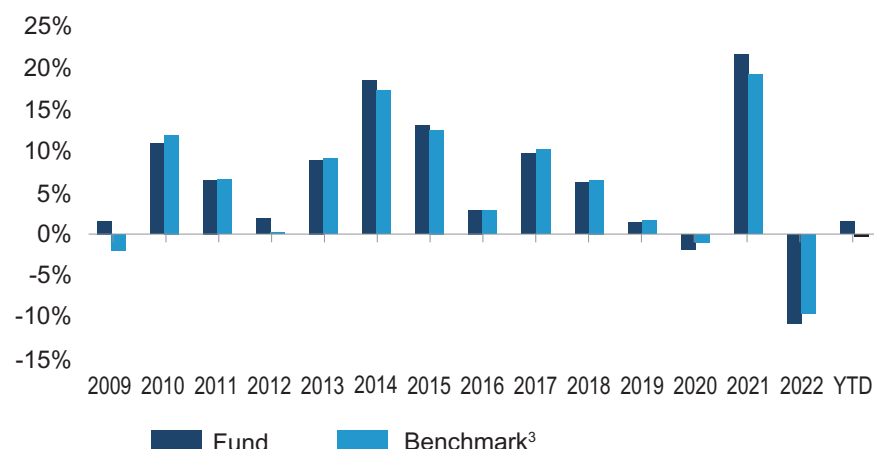
Fund Performance

Long Term Performance

Discrete periods¹



Calendar Years



Fund Performance

Annualised Performance

| | 3M % | YTD % | 1Y % | 3Y % | 5Y % | 10Y % | 15Y % | SI* % |
|-----------------------|---------|----------|---------|---------|---------|----------|----------|----------|
| Fund | 0.2 | 1.5 | -12.2 | 3.7 | 2.1 | 6.3 | 4.8 | 7.6 |
| Benchmark** | -0.4 | -0.3 | -14.3 | 3.2 | 1.8 | 6.0 | 4.4 | 6.6 |
| Relative (Arithmetic) | 0.6 | 1.8 | 2.5 | 0.5 | 0.3 | 0.3 | 0.4 | 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 | 50-75 |
| 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 | 28-42 Banner Street | Town Centre Office | 25-50 |
| London EC1 | 29-35 Farringdon Rd | 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 | 4.0 |
| Magnet Limited (NOBIA AB) | 2.2 |
| John Lewis Partnership Plc (Waitrose) | 1.7 |
| Norton Group Holdings (The Range) | 1.7 |
| Heidelberg Cement AG (Hanson) | 1.5 |
| Currys Plc | 1.5 |
| Invesco Ltd | 1.5 |
| Howard Tenens (North West) Limited | 1.4 |
| MGR Realisations Limited (Matalan Retail) | 1.4 |
| Associated British Foods Plc (Primark Stores) | 1.3 |

Source: Columbia Threadneedle Investments as at 30 September 2023

Investment Activity – Key Purchases and Sales Over Q3 2023

| Property | Quarter | Sector | Price (£m) | Net Initial Yield |
|----------------------|---------|------------------------|------------|-------------------|
| Purchases | | | | |
| None | | | | |
| Sales | | | | |
| Merton 37, Lyon Road | Q3 2023 | Industrial / Warehouse | 10-25 | – |

Source: Columbia Threadneedle Investments, 30 September 2023

Responsible Investment: environmental

Sustainability Dashboard – quarterly performance metrics

Property infrastructure: EPCs

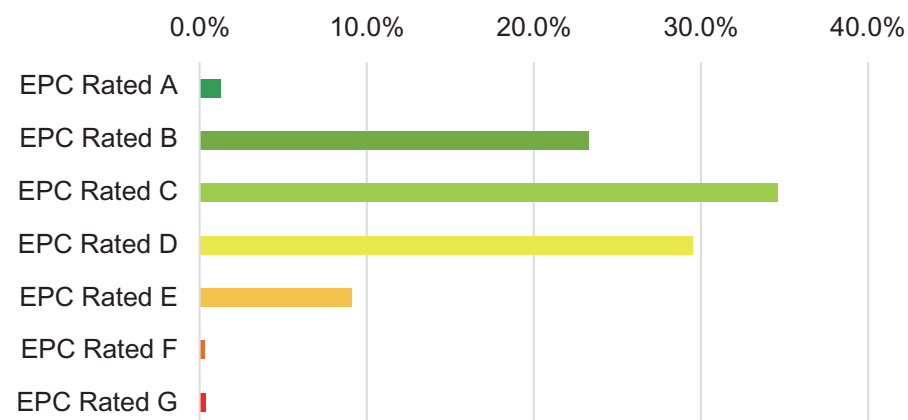
Target EPC 'B' by 2030



Key performance metrics

| | |
|---|-------|
| Portfolio coverage (whole portfolio, % ERV) | 99.3% |
| Works projects completed (past 12 months) | 18 |
| Refurbishments delivering 'B' or better | 78% |

EPC Distribution by ERV



Property performance: Energy use

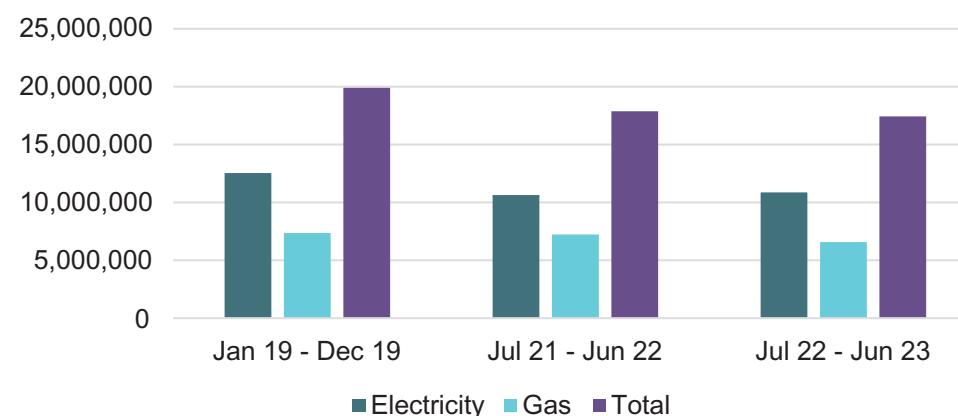
*Target 20% reduction by 2030**



Key performance metrics

| | |
|---|--------|
| Portfolio coverage (LL managed portfolio, % floor area) | 92.6% |
| Energy consumption change L-f-L, Y-on-Y | -2.5% |
| Energy consumption change vs baseline* | -12.4% |

Landlord portfolio Like-for-Like Energy Consumption (kWh)



Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 30 September 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 30 June 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'). Energy data reported for 2Q23 due to the lag effect of Evora data source. 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 results

Threadneedle Pensions Limited Pooled Property Fund



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. 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.

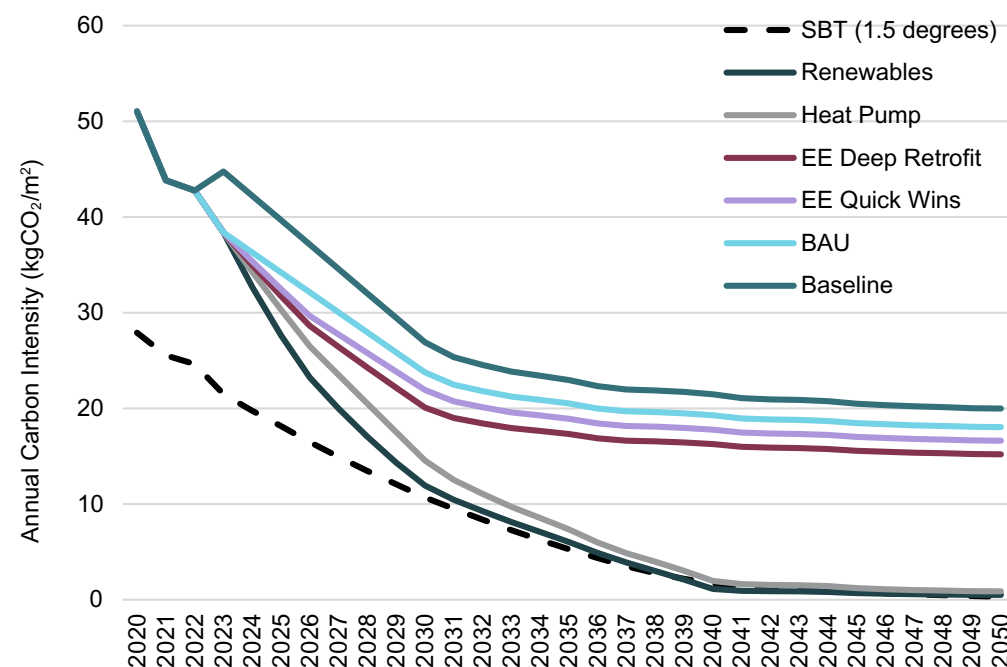
Responsible Investment: Net Zero fund pathway

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 | – | 15% |
| Quick wins | 2023-26 | £6.7m | 6% |
| Major asset refurbishment | 2023-30 | £21.5m | 6% |
| Renewables (PV) | 2023-30 | £54.6m | 22% |
| Electrification of heat | 2023-45 | £73.4m | 21% |
| Cumulative cost & saving impact | | £156.1m / £8.7m pa | 70% |
| Offsetting | 2040 | £0.6m pa | Residual |

Portfolio annual carbon intensity



- Net Zero pathway completed in October 2021 and updated February 2022 and February 2023
- Between 2017-2022 the Fund completed **221** capital projects investing an average **£19.6 million** per annum in building improvements
- Capital expenditure incurred in 12 months to 31 December 2022 is approximately **£18.7 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

| | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 |
|--|---------|---------|---------|---------|---------|
| Property assets | 234 | 181 | 174 | 172 | 171 |
| Rateable units | 1,170 | 1,058 | 1,009 | 980 | 975 |
| EPC coverage (% rateable units) | 98.5% | 98.4% | 98.9% | 99.1% | 99.3% |
| EPC rated A (% rateable units) | 0.6% | 0.9% | 1.5% | 1.4% | 1.3% |
| EPC rated B (% rateable units) | 16.7% | 18.4% | 20.1% | 21.5% | 23.3% |
| EPC rated C (% rateable units) | 35.1% | 35.3% | 36.3% | 34.5% | 34.6% |
| EPC rated D (% rateable units) | 34.4% | 31.7% | 29.3% | 30.2% | 29.5% |
| EPC rated E (% rateable units) | 11.0% | 10.6% | 9.9% | 10.0% | 9.1% |
| EPC rated F (% rateable units) | 0.5% | 0.7% | 0.4% | 0.3% | 0.3%* |
| EPC rated G (% rateable units) | 0.1% | 0.2% | 0.4% | 0.4% | 0.4%** |

Source: Columbia Threadneedle Investments, based on % rateable units, as at 30 September 2023. * six 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 | <i>Not measured explicitly prior to 2021</i> | | | 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 | <i>Not measured explicitly prior to 2021</i> | | | 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.

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 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. 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 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. 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 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 | Q3 2023 |
|---|------------------------------|----------------|----------------|
| Property assets | 262 | 178 | 169 |
| Low | 200 (79.1%) | 129 (77.1%) | 122 (72.2%) |
| Medium | 52 (17.7%) | 45 (21.1%) | 44 (26.0%) |
| High | 6 (2.0%) | 3 (0.8%) | 2 (1.2%) |
| Extreme | 4 (1.3%) | 1 (0.9%) | 1 (0.6%) |
| Extreme risk assets | High risk assets | | |
| World of Golf, New Malden (small element of site) | 7 Farrell Street, Warrington | | |
| | 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. 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.

Glossary of Terms

- **NAV:** The net asset value of the Fund will be calculated as at the last Business Day of each month (a “Pricing Day”). More details are available in the Key Features Document.
- **Bid/Offer Spread:** The bid/offer spread on units reflects the costs of buying and selling investments.
- **Semi-swinging single price:** Prices of units in the Funds are calculated on a semi-swinging single pricing basis and valued daily at midday. The price of a unit will be based on the value of the underlying investments of the relevant Fund subject to the charges applicable to the relevant Class and, normally, it will be at this price that units are allocated (purchased) or realised (surrendered). In certain circumstances, however, the price may be subject to further adjustment, as explained below. The actual cost of purchasing and selling a Fund’s underlying investments may be higher or lower than the mid-market price used in calculating the semi-swinging single unit price. In such circumstance (e.g. as a result of large volumes of transactions), this may have a materially adverse effect on existing investors in the Fund. In order to prevent this effect (called ‘dilution’), TPL may need to make a ‘dilution adjustment’ that will be incorporated in the price. Such an adjustment is paid into or maintained within the Fund for the protection of investors and is only applied when the interest of investors requires it. For the Property Fund a dilution adjustment will usually be applied and included in the unit price.
- **Pricing basis:** Dependent on the general trend of flows in or out of the fund, the pricing basis of the Property Fund will either be at Offer (Inflow) or Bid (Outflow). This means that units in the fund are either priced on a Net Asset Value (NAV) less circa 1.2% or a NAV plus circa 5.8%.
- **Initial yield:** The rent passing net of ground rent, NR, as a percentage of the gross capital value, GCV, at the same date.

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

GCV / NOMRV
- **Equivalent yield:** The estimate of the discount rate which equates the future income flows relative to gross capital value. The equivalent yield discounts the current rental value in perpetuity beyond the last review date recorded for the tenancies in the subset. MSCI projected cash flows are estimated from records of current tenant rents, ground rents, open market rental values, rent review and lease expiry dates, and tenant options to break, assuming upward only rent reviews to expiry of the lease and that tenant options to break are exercised when the tenant rent exceeds the market rent.
- **Distribution yield:** Except where indicated, a fund’s distribution yield is the sum of its distributions per unit over 12 months as a percentage of its net asset value per unit at the end of that period. The distributions used in the calculation are those earned/accrued, rather than paid, during the twelve months, and are gross of tax, net of fees.

- **MSCI UK Monthly Property Index:** The MSCI UK Monthly Property Index measures returns to direct investment in commercial property. It is compiled from valuation and management records for individual buildings in complete portfolios, collected direct from investors by MSCI. All valuations used in the Monthly Index are conducted by qualified valuers, independent of the property owners or managers, working to RICS guidelines. The Monthly Index shows total return on capital employed in market standing investments. Standing investments are properties held from one monthly valuation to the next. The market results exclude any properties bought, sold, under development, or subject to major refurbishment in the course of the month. The monthly results are chain-linked into a continuous, time-weighted, index series.
- **MSCI/AREF UK All Balanced Property Funds Weighted Average:** This Index measures Net Asset Value total returns on a quarterly basis. NAV in Index is the NAV of the index after the elimination of cross-holdings and deduction of management fees. Returns to the MSCI UK Monthly Property Index and to the MSCI/AREF UK All Balanced Property Funds Weighted Average Index are not directly comparable. This is largely because the UK Monthly Index measures the performance only of direct property market investments and because it excludes the impact on returns of developments and transactions. In contrast, returns to the MSCI/AREF UK All Balanced Property Funds Weighted Average Index include the impact of both developments and transactions as well as the returns from other assets (such as cash and indirect property investments), and the impact of leverage, fund-level management fees and other non-property outgoings.

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For your sole use as existing investor only.

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

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Task Force on Climate-related Disclosures (TCFD)

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