

# Threadneedle Property Unit Trust

## Quarterly Report as at 30 September 2024

For Existing Investors only

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# Prospectus updates

## Introduction of Strategic Partner unit class:

With effect 31 January 2023, and reflected in the updated Prospectus dated April 2023, the Fund has a Strategic Partner unit class.

For Units defined (at the absolute discretion of the Manager) from time to time as being held by a Strategic Partner, the Manager's and the Investment Advisor's aggregate charges will be calculated by taking the applicable percentage below, based on the gross asset value attributable to that Strategic Partner's Units for each month, and applying such percentage to the entire holding of such Strategic Partner.

- 0.55% per annum to the extent that the Strategic Partner's Units' gross asset value is at least £100 million, but less than £150 million;
- 0.50% per annum to the extent that the Strategic Partner's Units' gross asset value is at least £150 million, but less than £200 million; or
- 0.40% per annum to the extent that the Strategic Partner's Units' gross asset value is equal to or in excess of £200 million.

The Manager will retain discretion over whether Units should be designated as Strategic Partner's Units and in particular may determine whether Units should continue to be designated as falling within one of the Strategic Partner percentage rates notwithstanding that the gross asset value may be below the relevant threshold for such rate in respect of a particular month.

## Net Zero Carbon and SFDR:

As previously communicated, with effect 30 September 2023, the Fund, and its Luxembourg Feeder SA SICAV-SIF ('Feeder Fund'), have made formal commitments to promote Environmental Characteristics as defined under the SFDR. This is reflected in the key performance indicators which the Manager intends to monitor as part of its role:

- **Financial** – financial outcomes are measured with reference to total return and income distribution performance in relation to the Fund's financial benchmark (currently the MSCI/AREF UK All Balanced Open-Ended Property Fund Index).
- **Environmental** – environmental outcomes are measured with reference to climate impact. The Fund aims to improve the environmental performance potential and lower the energy use and carbon intensity of its assets.
- **Social** – social outcomes may be measured with reference to the qualitative impact that (i) major refurbishment projects may have on tenants and (ii) any other relevant property management initiatives. The Fund aims to record the social value of these initiatives at asset level. The Fund may continue to seek other measures to assess improvements in social outcomes.
- For further information, please refer to the Prospectus, or contact the Investment Advisor.

# Mandate Summary

## Contact Information



Fund Manager	<b>James Coke</b>
Client Director Property	<b>James Allum</b>
Institutional Client Director	<b>Moira Gorman</b>
Institutional Client Director	<b>Andrew Brown</b>
Central Contacts:	
Client Services Team	<b>clientservices@columbiathreadneedle.com</b>
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## Mandate

Threadneedle Property Unit Trust is an unclassified open-ended unit trust originally established in 1967. The Threadneedle Property Unit Trust has been domiciled in Jersey since 2002. The objective of the Fund is to provide indirect investment exposure to a diversified portfolio of property assets in the United Kingdom. Unitholders have a right to the income of the Fund, which is allocated monthly and paid at the end of each quarter. As Investment Advisor to the Fund, Columbia Threadneedle Investments follows a longstanding consistent investment approach to deliver long term outperformance against the Fund's MSCI/AREF UK All Balanced Property Fund Index benchmark.

## Fund Information

■ Total Assets	GBP 866 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Bid	256.23
■ Offer	274.55
■ NAV	259.32
■ Jersey domiciled property unit trust.	
■ Income distributed quarterly (can be reinvested)	
■ Prices and deals at month ends.	
■ Bid/offer spread maximum of 7.1%	



# Portfolio highlights



**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 12-month net fund NAV to NAV return. All as of 30 September 2024. WAULT is an abbreviation of weighted average unexpired lease term. It is used by property companies as an indicator of the average remaining life of the leases within their portfolios.

# Market Context

## Economy

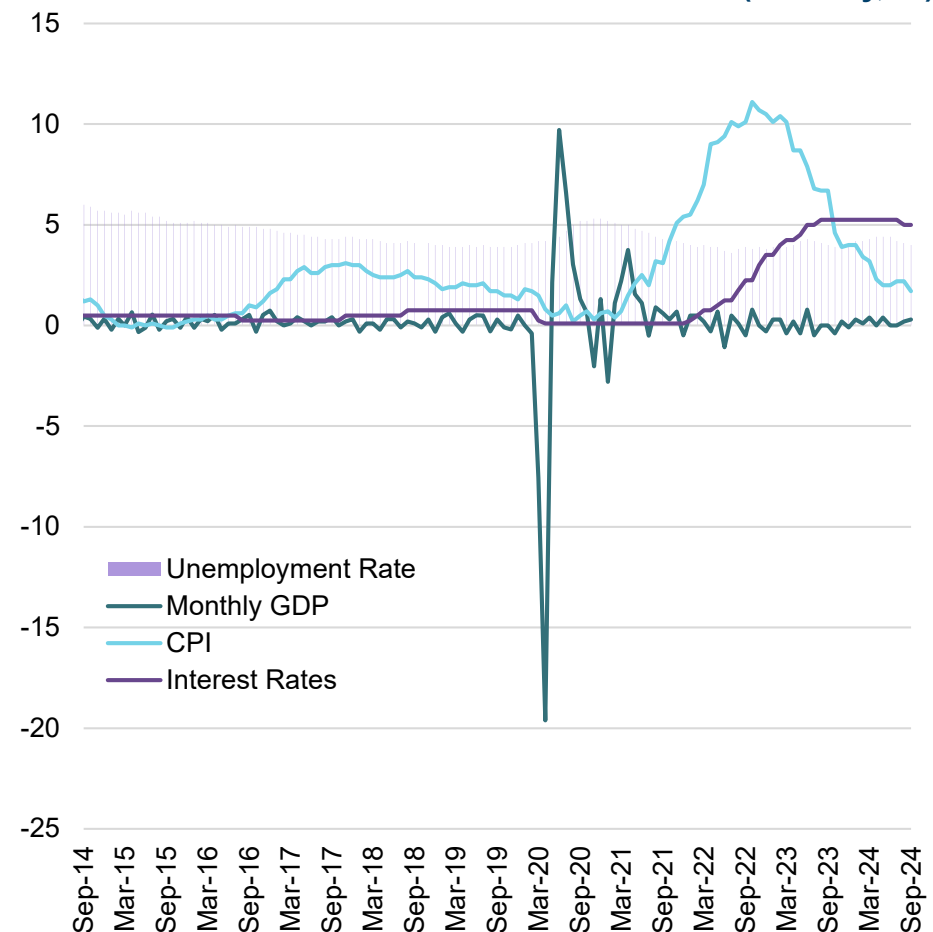
The UK economy is expected to expand by 1.1% this year boosted by more normal levels of inflation, interest rate cuts, real income growth and increasing business and consumer confidence. However, progress will be slow and while final GDP growth figures for Q3 have not yet been released, it is thought to be around 0.3% - 0.4% due to the impact of tighter fiscal policy and the lagged effects of past interest rate rises. The new Chancellor, Rachel Reeves, presents her first Budget on 30 October which the real estate community will be watching closely. The new government has a clear desire to boost growth which is undoubtedly welcome, but investors will be keen for more clarity on the direction of fiscal policy and any potential changes to capital taxes.

UK inflation fell more than expected to a three-year low of 1.7% in September and is now under the Bank of England's 2% target for the first time since April 2021. The expectation is that inflation will not fall much further in the near term as the drag from falling energy prices has now started to fade and could result in another step up in Q4, when the energy price cap increases by 10% on 1 October. Services inflation, which fell to 4.9% (from 5.6%) will likely remain somewhat sticky given the strength of pay growth despite it having cooled recently to 4.9% (in the three months to August).

September saw the Monetary Policy Committee (MPC) vote 8-1 to keep the Bank Rate at 5.00% due to a combination of stubborn wage growth and stronger than expected economic growth. The downward trend in inflation prompted sterling to fall and traders to increase bets on further interest rate cuts of 25bps at both the November and December MPC meetings. But the Bank of England is likely to take a more cautious approach to easing monetary policy compared to the Federal Reserve in the US and the European Central Bank, with a series of gradual rate cuts taking the UK base rate to around 3.5% by the end of 2025.

The unemployment rate decreased to 4.0% in August 2024 down from 4.1% in the previous three-month period and is at the lowest level since January. The annual growth for regular earnings (excluding bonuses) was 4.9% in the three months to August 2024. Robust wage growth and easing inflation have bolstered real household incomes over the past year and is coming through in recent spending data. September delivered a third successive rise in retail sales of 0.3% m/m with a surge in non-food sales more than offsetting a sharp drop in food sales.

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



Source: Columbia Threadneedle Investments. Oxford Economics (forecast economic data). MSCI UK Monthly Property Index. as at 30 September 2024. ONS data as at date stated.

# Market Context

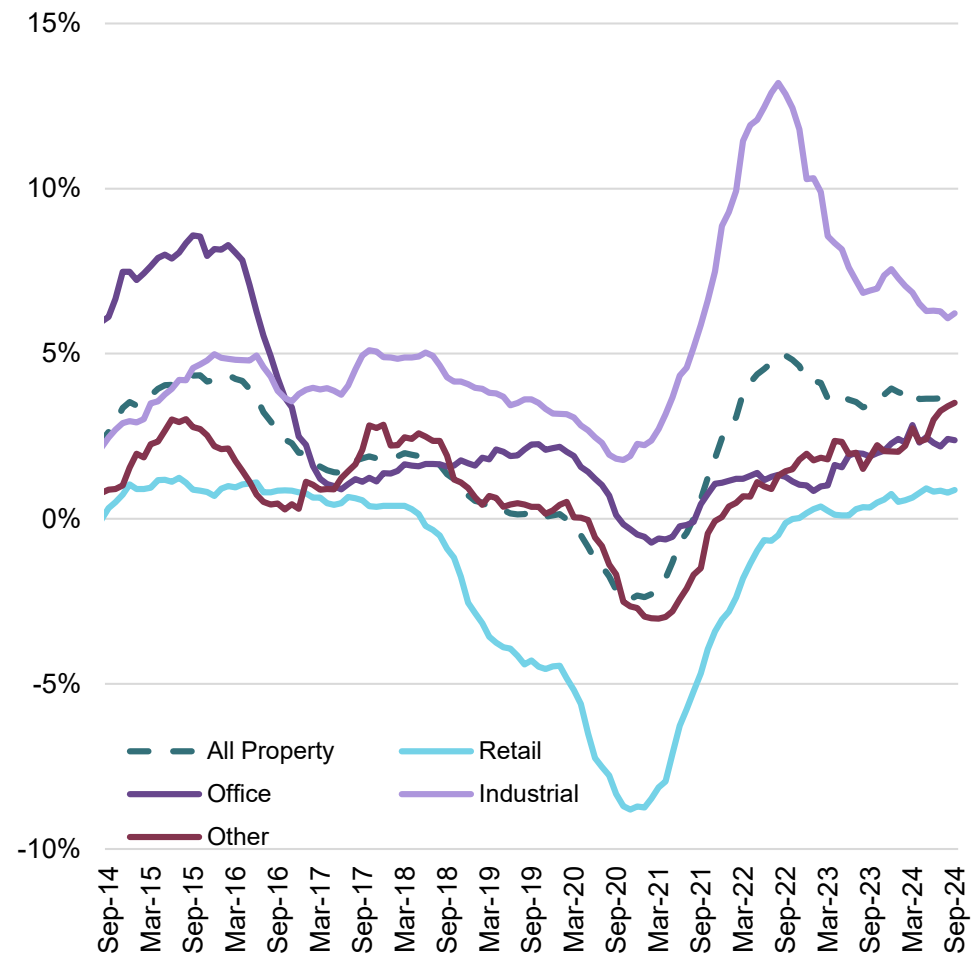
## Occupier Market

All-property rental value growth increased over the quarter, recording an uplift of 0.9%, following growth of 0.8% in Q2 and was primarily driven by increases across the industrial and residential sectors. Rental growth in the UK industrial sector is still positive but has moderated somewhat over the past six to twelve months. In the third quarter nationwide rental growth was 1.4% and continues to reflect good levels of occupational demand. Vacancy rates are trending up, albeit from historical lows, but given the constrained development pipeline positive rental growth is anticipated going forward. The limited supply of high-quality stock is expected to drive further market polarisation, widening the gap between prime and secondary rents as occupiers are increasingly focused on securing best-in-class space, particularly those schemes with strong ESG credentials.

The retail warehouse sector continues to draw strong occupier interest, with significantly lower vacancy rates compared to shopping centres and high street shops. Rental growth for retail warehouses increased in Q3 24 reaching 0.6%, up from 0.3% in Q2. Footfall within the sub-sector continues to be more resilient than in other retail areas, especially for those schemes offering a discount-focused tenant mix. Occupier demand is expected to remain strong which will help to push rents on further. The shopping centre sector also saw rental growth. Q3 saw rental growth of 0.8% which is a notable rise from the 0.3% in the previous quarter, but performance is focused on large catchment dominant schemes. Prior to Q2 rental growth for shopping centres had been negative for a considerable period. The all-retail rental growth of 0.4% was brought down by declines for shop units, in particular outside of the South East region.

Office rental growth in the three months to September was 0.4% in the quarter, on par with the level reported in Q2. Sentiment towards offices remains weak as businesses continue to reassess their space requirements and seek more flexible lease arrangements. This trend is expected to continue, putting pressure on rental growth within the sector, particularly across secondary quality assets with the sector characterised by further polarisation on a quality and location basis. The City of London was the main submarket to register rental value declines where, over the quarter, rental growth was -0.4%. Conversely positive growth was recorded in the Central London's West End & Midtown submarket, rising 0.9% in Q3 24 from 0.6% in Q2 24.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 30 September 2024

# Market Context

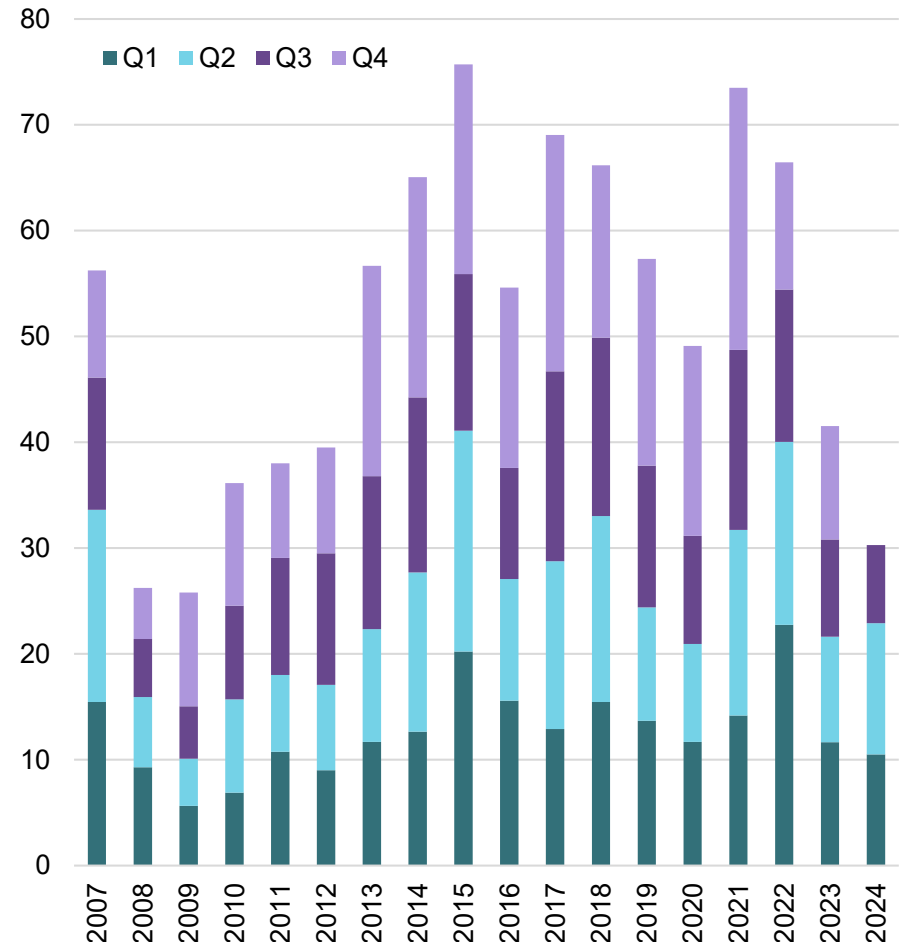
## Investment Market

The third quarter of 2024 saw GBP 7.4 billion invested into UK commercial property – this is a preliminary figure, and the final volume is expected to be higher. The new cycle is slowly emerging as investors grapple with refinancing issues and higher cost of debt despite some early cuts in interest rates. The summer period was, as a consequence, characterised by muted investment activity and a noted discount between quoting and closing pricing.

UK real estate does, however, seem to be turning a corner. More economic and political certainty is filtering into the market resulting in slowing declines in capital values, increasing signs of stabilisation and improved performance. Since the beginning of the year, capital value declines across the more favoured sectors have slowed substantially and further policy rate reductions will ease some of the pressure on these segments. There is however an Autumn Budget which the real estate community will be watching closely. The new government has a clear desire to boost growth which is undoubtedly welcome, but investors will be keen for more clarity on the direction of fiscal policy and any potential changes to capital taxes.

Regardless of the detail, the better economic growth forecast, falling interest rates, improving investor confidence and fundraising activity, all indicate a more active investment market with volumes for 2024 potentially 10% higher than last year. There will however be continued bifurcation with the industrial and living sectors most likely to outperform all-property, along with retail warehousing. Offices, albeit on a very selective basis, could see relatively robust rental growth. Indeed, income remains a central story to real estate especially as the development pipeline has slowed significantly across all sectors over the past two years. This has exacerbated the availability of, in particular, good quality supply. Construction inflation has moderated from its peak, but restrictive financing costs will make development difficult in the near term.

UK investment volumes (GBP bn)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 30 September 2024, MSCI Real Capital Analytics Q3 2024 Preliminary Data.



# Market Context

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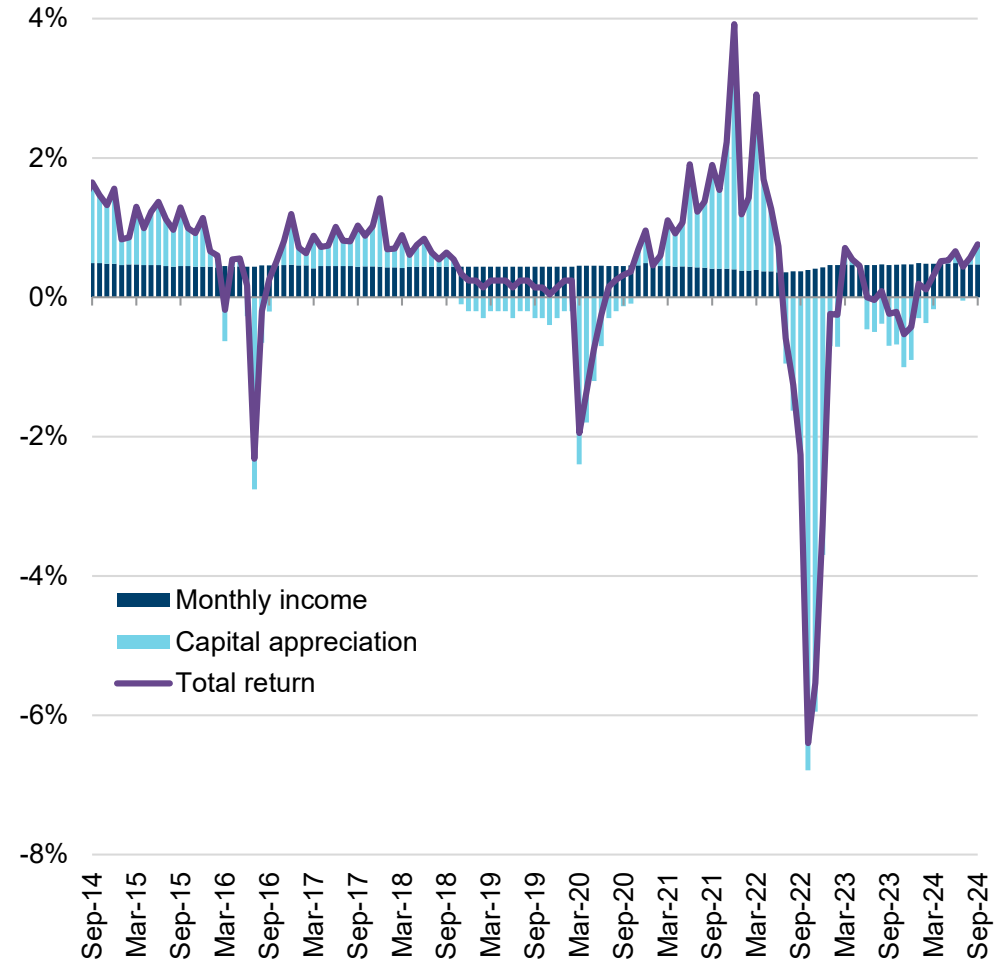
Total returns for the UK commercial property market remained positive in Q3 24, recording 1.8%, up from the 1.7% recorded in Q2. At an all-property capital value growth and the income return were similar to the second quarter's performance.

Income return saw a slight decline, recording 1.4% in Q3 24 compared to 1.5% in Q2, however it is expected to remain the main driver of total returns moving forward whilst yield-driven capital growth is likely to be limited, at least in the short to medium term. The overall all-sector capital growth for Q3 was 0.3%, marginally up from the 0.2% in Q2. Divergence in capital values at a sector level is evident, with industrials recording the greatest rate of capital value growth of 1.1% through the quarter followed by the retail sector which slowed from 1.0% in Q2 to 0.5% in Q3. The office sector is still seeing capital values decline but the falls have moderated. The third quarter saw a fall of 1.0% which slowed from the -1.6% decline in Q2.

Industrials emerged as the top-performing sector in Q3 posting a total return of 2.3%, up from 1.9% in Q2 24. The income return remained positive at 1.2% although marginally down on the 1.3% in Q2. Capital value growth also stayed positive, increasing to 1.1% in Q3 from 0.6% in Q2 and reflects continued investor demand for the sector. This performance is supported by strong occupational fundamentals, low, albeit rising, vacancy rates, and the potential for further rental growth.

The retail sector delivered a total return of 2.2% in Q3, down from 2.8% in Q2 24. Income return remained unchanged over the quarter at 1.8%, while capital value growth softened, decreasing from 1.0% in Q2 to 0.5% in Q3 24. Amongst the retail sub-sectors, shopping centres showed the strongest performance, delivering a robust total return of 3.0% in Q3, largely driven by capital value growth. Retail warehousing followed closely, with a total return of 2.6%, split between 0.9% capital value growth and a 1.7% income return, underscoring the robust income fundamentals that continue to support the sector.

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Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 30 September 2024.

# Market Context

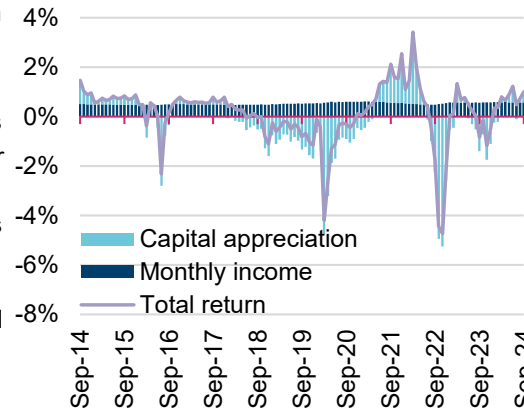
performing sector during the quarter, largely due to ongoing structural headwinds brought about by the pandemic, the legacy of which corporates are still dealing with as they assess, adopt and change their hybrid working models, reducing long-term demand for traditional office space.

The improvement in total returns was driven by a modest recovery in capital values with Q3 recording a fall of -1.0% from -1.6% in Q2 24. The sustained demand for high-quality office spaces that are well-located, feature high specifications, and meet ESG standards has helped buoy capital values and rental growth for best-in-class assets, even as broader market conditions remain challenging.

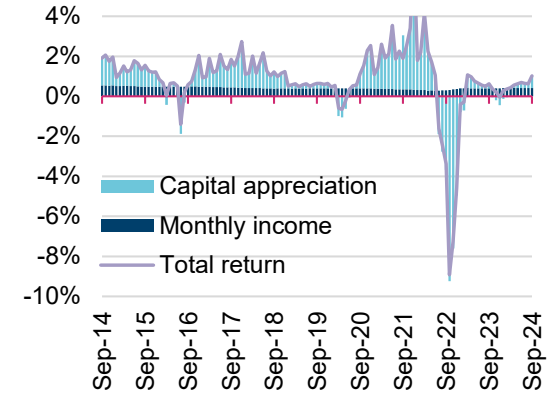
The 'Other' sector, which includes residential, student housing, healthcare, and hotels, achieved a total return of 1.4% in Q3. This consisted of a 1.7% income return, while capital values recorded -0.3%. The driving sectors were residential with a total return through the quarter of 2.1%, followed by hotels posting a total return of 1.5%. The 'Other' sector has become an increasingly significant component of the Index, growing from approximately 3% to around 10% over the past decade, as investors aim to leverage structural demographic changes within the UK.

The all-property net initial yield at the end of September 2024 was 5.5% - this is a marginal tightening from the 5.6% in June. The equivalent yield remained stable at 7.1% throughout the same period. Further stabilisation in yields in the coming months is expected as interest rates are cut further, and lending conditions improve. Any meaningful inward movement in yields is expected to come from the retail warehousing and logistic sectors in the first instance.

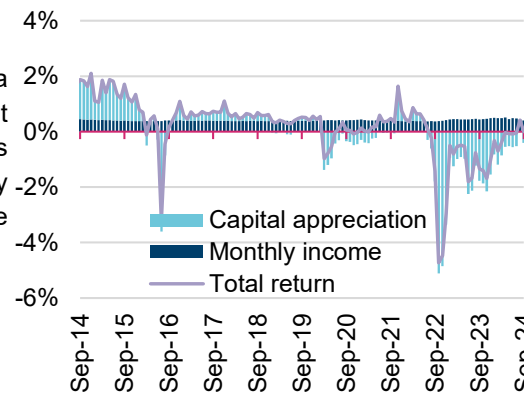
**Retail total returns**



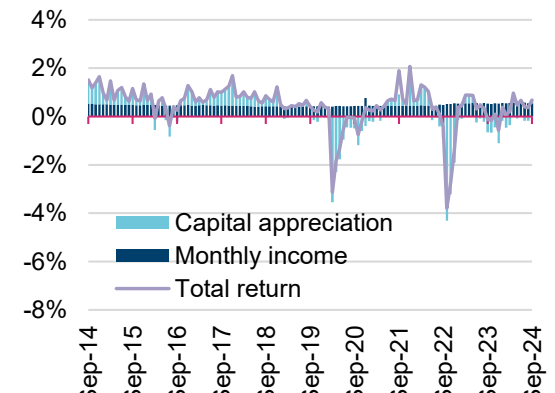
**Industrial total returns**



**Office total returns**



**'Other' total returns**



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 30 September 2024.

# Market Context

## Outlook

There is a feeling that the market has reached a turning point. Inflation is trending down, providing for more clarity on the path of interest rates which are beginning to ease, albeit at a slower pace than many initially anticipated. Property prices have, by and large, stabilised, and buyer and seller expectations are moving towards each other. There is of course, divergence by sector and geography, but generally speaking we move into 2025 with a renewed, albeit cautious sense of optimism for investors, occupiers and developers of real estate.

Activity in the investment market has been muted this year so far. And as yet, we have not seen any meaningful rebound despite generally more positive sentiment. But the cut to interest rates and the anticipation of more to come should stimulate liquidity over the remainder of the year, with momentum picking up in 2025. And with the new government in place, a more certain political environment should reassure international investors and improve liquidity, but the real estate sector will be closely watching the Autumn Budget due on 30 October 2024.

Logistics and the living sectors continue in favour. The growth of e-commerce and re-engineering of supply chains will support logistics whilst the dearth of quality residential stock will drive demand for the sector. Pricing may not have adjusted enough for some investors, but the long-term fundamentals of migration and population growth in specific areas are expected to feed investment performance over time. Retail is also back on the agenda of many investors, led by occupational trends which favour retail warehousing at the value end of the pricing spectrum (in many cases supporting omni-channel profitability). Offices are on the watch-list with the opportunity to buy targeted quality assets as the bottom, or close to the bottom, of the market, but careful assessment is needed to ensure that the rental tone exceeds, currently expensive, replacement costs. The UK has seen a flight-to-quality which has left behind a shortage of quality stock which has been additionally impacted by the slowdown in the development pipeline.

The polarised recovery pattern, whereby favoured sectors recover faster than others, is expected to continue to play out creating opportunities for specialised investors to capitalise on these market dynamics. Investors with deep sector knowledge and contra-cyclical strategies are well-positioned to navigate these disparities and seize opportunities as the market moves toward stabilisation. But, while sentiment is improving towards certain sectors and opportunities, maximising returns will require creativity and careful stock selection within real estate sectors. Examples include strategic land acquisitions that are then readied for development by securing planning, or repositioning of standing assets through refurbishment or change of use.

We are expecting a recovery to entrench over the course of 2025 as the economic backdrop improves although interest rates will remain elevated, weighing on growth, and making fundraising challenging, although not impossible. The higher interest rate environment also highlights the importance of active asset management programmes. Gone are the days of simply taking the income. Each asset must work harder to maintain its relevance to investors, whether that is through diversification of income streams, for example installing electric vehicle (EV) charging and/or photovoltaic (PV) panels on sites, or through measured capex programmes to increase value and return profit to investors. Asset managers need to invest in real estate sectors that offer the best prospects for growth and then strategically implement asset management programmes to protect and create value.

# Market Context

## Global perspectives into practice

Key sector metrics as at end June 2024

Trending key:

	 <b>Industrials</b>	 <b>Offices</b>	 <b>Retail</b>	 <b>Alternatives</b>
<b>Strengthening</b>				
<b>Stable</b>				
<b>Weakening</b>				
<b>Headlines</b>	New developments setting new headline rents despite rise in nationwide vacancy rate	Demand for quality supply is driving take-up and eroding availability as development slows	Strong occupier demand continues for out-of-town schemes, but choices are limited	Hotels, multifamily and increasingly single family BtR lead the way under the Alts banner
<b>Vacancy*</b> (By Market Rent)	8.1%	22.4%	5.9%	1.4%
<b>Rental Growth*</b> (Annualised)	6.2%	2.4%	0.9%	4.5%
<b>Prime Yield Pricing**</b> (Net Initial Yield, rack rented)	Distribution 5.25%	London (City) 5.75%	Warehouse 5.75%	Student 5.00%
	Multi-let 5.25%	Regions 6.50%	High Street 6.75%	Leisure 8.00%
<b>Allocation</b>	Favour multi-let and mid-box logistics. Neutral big-box distribution	Highly selective: favour urban centres with good amenity and accessibility	Favour out-of-town warehouses / parks with repositioning potential	Favour, strategic land, 'meds' and residential including student housing



### Finance\*\*\*:

5-year Gilt: 3.8%  
5-year Swap: 3.6%



### Real estate\*:

NIY: 5.5%  
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 30 September 2024. \*\*CBRE Prime Yields and trends, September 2024. Trends against average of prior 6-months (+/- <0.25% denotes stable). \*\*\* JLL, as at 25 September 2024.

## Material Changes

There are no material changes relating to the management or operation of the Fund.

## Liquidity

- The fund continues to maintain a robust liquidity position with gross cash of £73.2m equivalent to 8.4% of NAV.
- „ Liquidity continues to be closely monitored as a means to protect the Fund against anticipated market volatility, to meet anticipated redemptions and to exploit buying opportunities should they arise.

## Portfolio Activity

- Following the completion of an extensive sales program in the first half the year which delivered c.£100m of liquidity, sales activity was limited in Q3, with just one sale completing.
- „ The Fund sold Faraday Court, Wellingborough for a sale price of £4.1m, reflecting a net initial yield of 7.9% and a capital value of £54psf. The property comprised a non-core 24-unit industrial estate held on a short long-leasehold interest (60 year unexpired) with a 26.2% headlease pay-away. In addition, the property held poor sustainability credentials with EPCs ranging from D-E. Whilst the sale price represented a modest discount to valuation (-2.4%), the Fund strategically agreed a contractual overage provision, whereby the purchaser must pay the Fund 40% of the marriage value upside in the event of the Freehold being acquired.
- „ Asset management highlights include the new letting secured at Unit 1, Speke Approach, Widnes, let for a term of 10 years ( break year 5) to HB Accident Repair Network Ltd, at a passing rent of £142,585p.a. which reflects £9.50psf, delivering a c.15% premium to ERV. The Fund completed a lease renewal at Garratt Lane, Wandsworth involving a 5 year extension to Colefax Group Plc, at a rent of £360,000p.a. reflecting £20.85psf. The achieved rent represented a c.44% increase on the previous passing rent and a c.10% premium on the prevailing ERV.
- „ Rent collection for the forthcoming quarter stands at 94.5% (as at Day 21).

## Key Performance Indicators

- „ **Financial:** Fund performance continued its positive trajectory in Q3 2024, delivering a total return of 2.0% for the quarter, consecutively outperforming its benchmark (+0.7%). The annualised total return at the end of September 2024 stands at 3.4%, which is +1.7% over benchmark. The Fund's total returns continue to be supported by a high relative distribution yield of 4.8%, c.14% above the benchmark level of 4.2%, as of 30 September 2024.
- „ **Environmental:** The Fund completed 14 works projects over the 12 months ending 30 September 2024, with 88% by value delivering EPC A/B. The Fund's refurbishment of Parkside, Leeds incorporating a high coverage of PV panels, delivered an EPC A+ rating.
- „ **Social:** On four major projects (>£1m) completed over the 12 months ending 31 March 2024, the Fund delivered in excess of £1.5m social value, according to the TOMs methodology, through a combination of investments in local labour and supply chains.

## Attribution

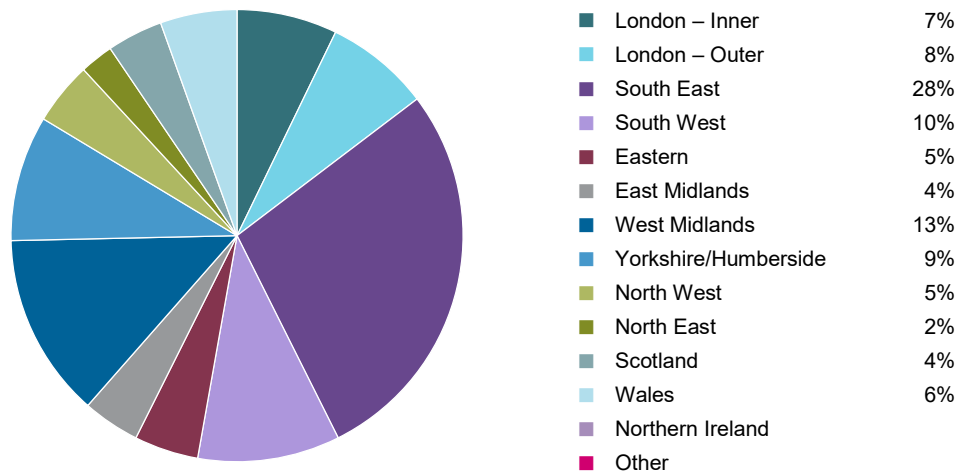
- Over the 12 months ending 30 September 2024, the fund's directly held property assets generated relative total returns of +2.4% against the broader property market. This was achieved through a positive relative income return of +1.4% and capital value growth of +1.0%. The fund's retail assets continued to outperform the wider market by +1.1%. Outperformance was also delivered in the office and alternative (“other”) sectors relative to market, producing relative total returns of +5.0% and +10.2% respectively. The Fund's industrial portfolio marginally underperformed against the broader market, producing a relative total return of -0.1%, as a result of disproportionate capital appreciation for London and Southeast industrials versus the regional markets where the Fund maintains an over-weight position to (due to the higher income yield advantage). (Source: MSCI, TPUT directly held assets compared to the MSCI UK Monthly Property index).

## Outlook

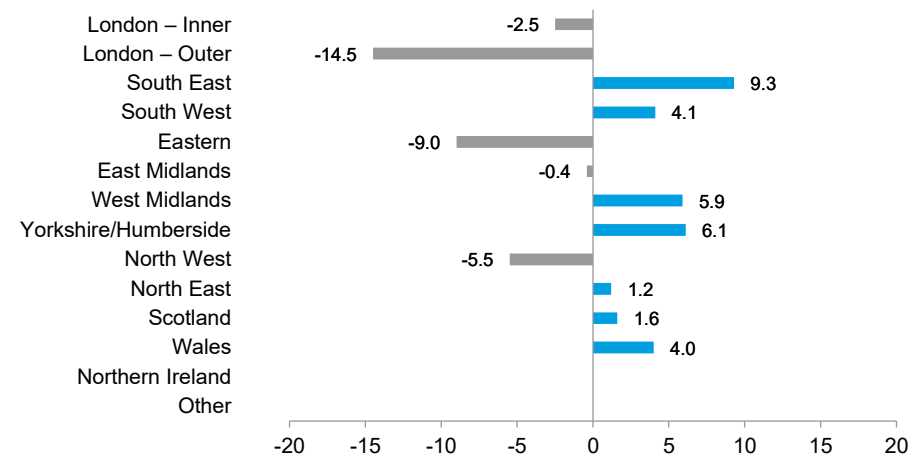
- With quarterly capital growth returning to positive territory in Q2(MSCI monthly) following a sustained period of downward pressure on capital values, UK Real Estate is well placed for a cyclical capital recovery, taking advantage of an improved macro-economic outlook, whilst continuing to offer attractive income characteristics, including resilient rental growth. We continue to believe the Fund is well placed to capture long-term sustainable growth through its focus on actively and responsibly managing property assets to generate a high and durable-income yield advantage from a diverse asset and tenant base. The Fund's property assets currently offer a Net Initial Yield of 6.1% against 5.2% offered by the MSCI UK Monthly Index. The Fund's strategic sector weighting is dynamically weighted towards Landlord-favourable occupational markets which should continue to provide a solid foundation for long-term out-performance.

# Property portfolio sector and geographical positioning

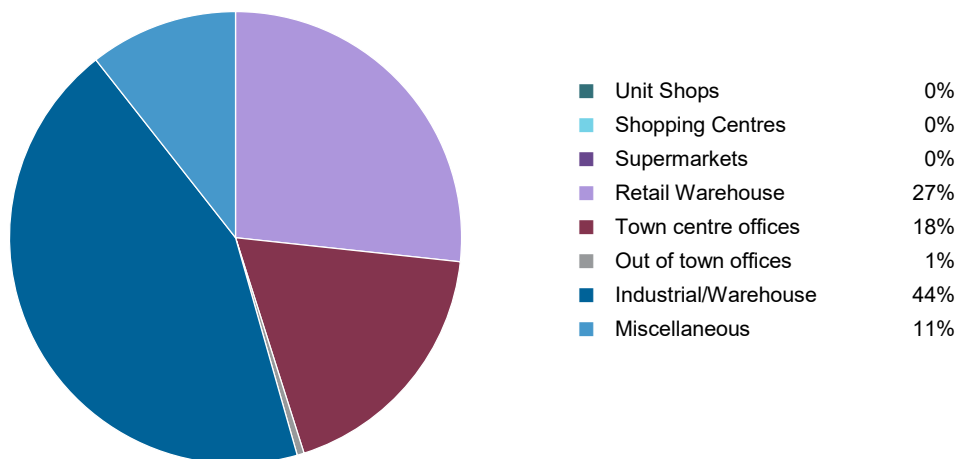
## Property portfolio weighting – geographical split



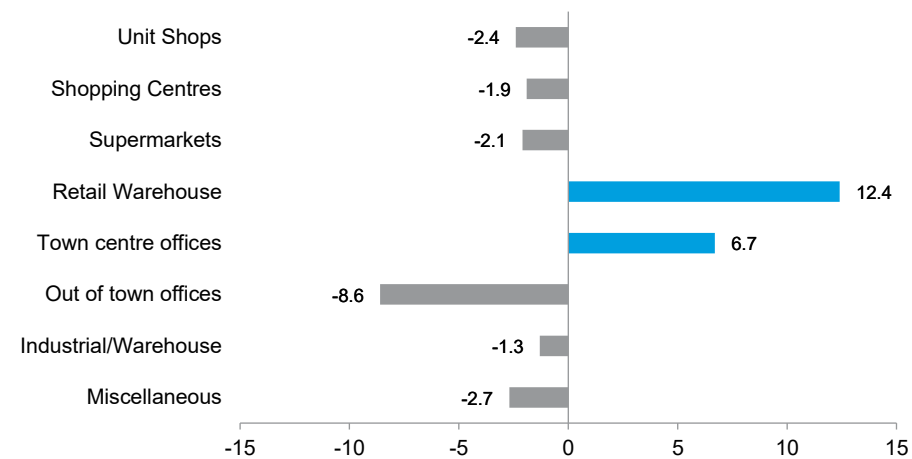
## Relative portfolio weighting (%) versus MSCI Monthly Index



## Property portfolio weighting – sector distribution



## Relative portfolio weighting (%) versus MSCI Monthly Index



Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 30 September 2024

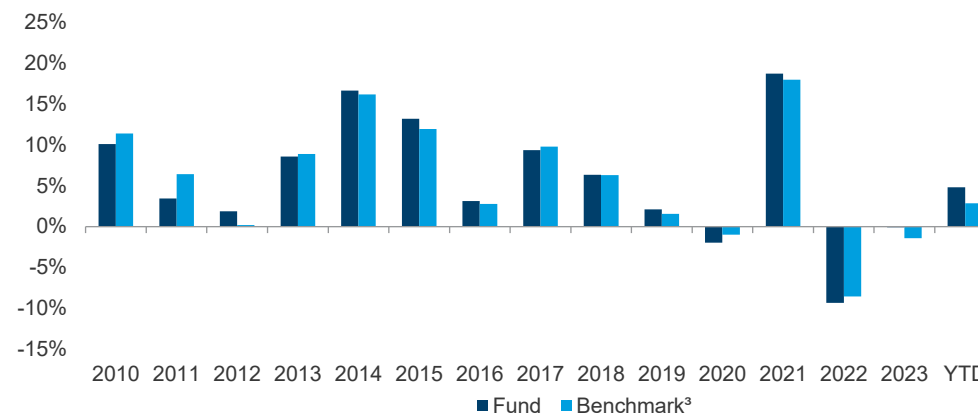
# Fund Performance

## Long Term Performance

### Discrete periods<sup>1</sup>



### Calendar Years



### Fund Performance

### Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	2.0	4.9	3.4	0.3	2.2	4.9	6.2	6.7
Benchmark	1.2	2.9	1.7	-0.4	1.7	4.5	6.2	5.8
Relative	0.7	1.9	1.7	0.8	0.5	0.3	0.0	0.9

Source: AREF/MSCI 31 March 1999

\* Since Inception – January 1999

\*\* 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. 31 March 1999 Columbia Threadneedle Investments was appointed investment advisor to the Trust in November 1998.

3. Benchmark shown is the benchmark of the fund, as detailed on page 3.

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

Benchmark – 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 informational purposes only.

# Top 10 Holdings and Tenants

## Property

Location	Name	Sector	Lot size (£m)
<b>Croydon</b>	Commerce Way	Industrial / Warehouse	25-50
<b>Trowbridge</b>	Spitfire Retail Park	Retail Warehouse	25-50
<b>London W1</b>	46 Foley Street	Town Centre Offices	10-25
<b>Selby</b>	Three Lakes Retail Park	Retail Warehouse	10-25
<b>Hampton</b>	Kempton Gate	Industrial / Warehouse	10-25
<b>Cardiff</b>	Newport Road	Retail Warehouse	10-25
<b>York</b>	Foss Islands Retail Park	Retail Warehouse	10-25
<b>High Wycombe</b>	Stirling Road	Industrial / Warehouse	10-25
<b>Rugby</b>	Swift Point	Industrial / Warehouse	10-25
<b>Coventry</b>	Skydome	Miscellaneous	10-25

## Tenants

	% of rents passing
<b>B&amp;M European Value Retail S.A.</b>	4.4%
<b>Tesco Plc</b>	3.1%
<b>Currys Plc</b>	3.0%
<b>Wickes Group Plc</b>	2.8%
<b>Norton Group Holdings Limited</b>	2.4%
<b>Tempur Sealy International Inc</b>	2.2%
<b>Amc Entertainment Holdings Inc</b>	2.2%
<b>Pets at Home Holdings Limited</b>	2.0%
<b>Owens (Road Services) Limited</b>	1.9%
<b>Envy Post Production Limited</b>	1.8%

Source: Columbia Threadneedle Investments, 30 September 2024



# Investment Activity – Key Purchases and Sales Over Q3 2024

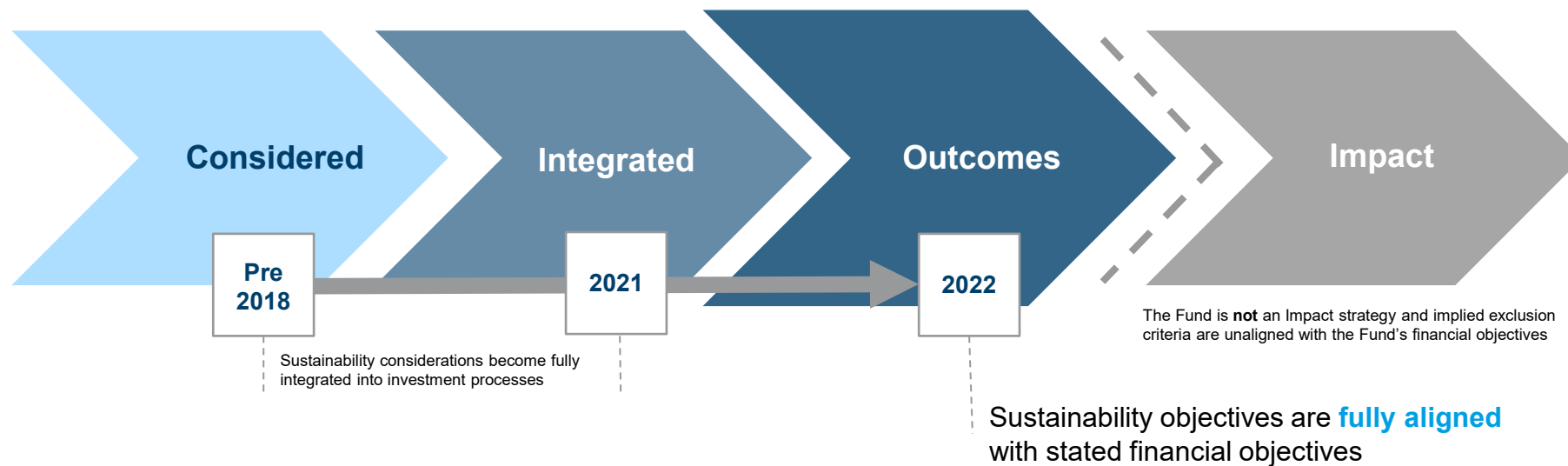
Property	Quarter	Sector	Price (£m)	Net Initial Yield
<b>Purchases</b>				
None				
<b>Sales</b>				
Wellingborough, Faraday Court	Q3 2024	Industrial/Warehouse	2.5-5	7.9

Source: Columbia Threadneedle Investments, 30 September 2024

# Responsible Investment strategy

## 'Active' provides the best potential for sustainable 'Outcomes'

### Evolution of our Responsible Investment approach:



### Key principles:

- Committed to delivering positive **financial**, **environmental** and **social** outcomes
- Committed to achieving operational Net Zero carbon emissions **by 2040**
- SFDR Article 8-equivalent disclosures promote **environmental characteristics**

Source: Columbia Threadneedle Investments, as of 30 September 2024. Fund aims are indicative and are in no way a guarantee of performance. Consideration of sustainability risks is integrated into the Fund's investment decision making process in accordance with its prospectus, and the decision to invest in the Fund should take into account all the characteristics or objectives as described in its prospectus.

# Responsible Investment: environmental

## Sustainability Dashboard – key performance indicators

### Property infrastructure: EPCs

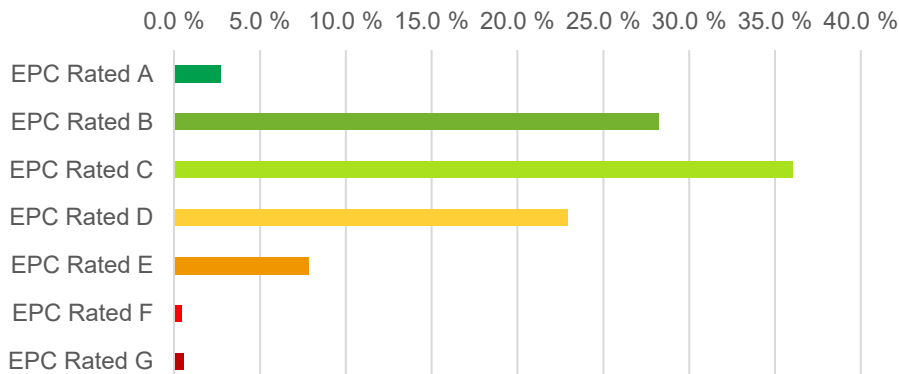
Target EPC 'B' by 2030



#### Key performance metrics

Portfolio coverage (whole portfolio, % ERV)	100.0%
Works projects completed (past 12 months)	14
Refurbishments delivering 'B' or better	88.0%

EPC distribution by ERV



### Property performance: Energy use

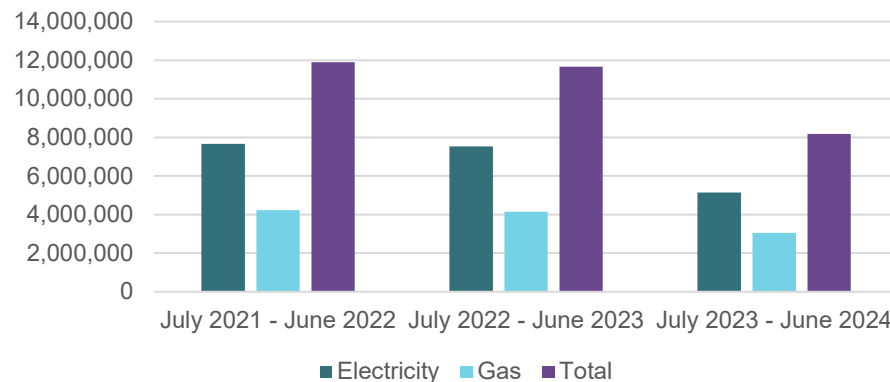
Target 20% reduction by 2030\*



#### Key performance metrics

Portfolio coverage (LL managed portfolio, % floor area)	95%
Energy consumption change L-f-L Y-on-Y	-29.9%
Energy consumption change vs baseline*	-36.1%

Landlord Portfolio Like-for-Like Energy Consumption



Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 30 September 2024. Refurbishments delivering EPC B or better expressed as % contract value excluding works which have no impact on EPC (e.g. redecoration). Energy data as at 30 June 2024. Portfolio coverage as % floor area. \*Energy target and consumption change vs baseline expressed against 12-months to 31 December 2021 baseline, based on assets where we have operational control (the 'landlord managed portfolio'). Baseline subject to change as assets are sold from the portfolio and can no longer be included in the baseline calculation. Targets are indicative and are in no way a guarantee of performance. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only.

# Responsible Investment: GRESB

## Threadneedle Property Unit Trust 2023 GRESB results



### Global Real Estate Sustainability Benchmark ('GRESB')

#### Key takeaways

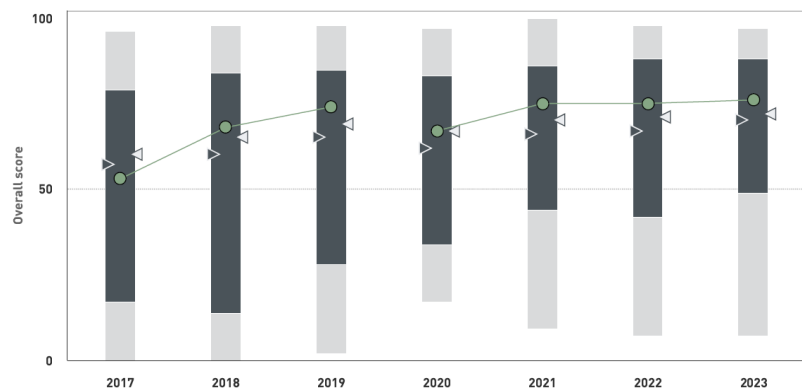
- Twelfth year of the Fund's submission to GRESB
- Scored 76 out of 100, +1 on 2022 (Peer Average = 73)
- Ranked 48<sup>th</sup> within its peer group of 113 funds

#### Strengths

- Management (scored 30/30)
- Tenant and community engagement score improvement
- Energy score improvement and above peer average

#### Areas of improvement

- Data coverage scores adversely impacted by high selling activity – coverage for GHG, water and waste were all below 2021 levels, reflecting portfolio composition volatility
- Building certification (minor improvement on 2022)
- Property-level roll out of Net Zero Carbon pathways continues



Source: Columbia Threadneedle Investments, as at 30 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 carbon

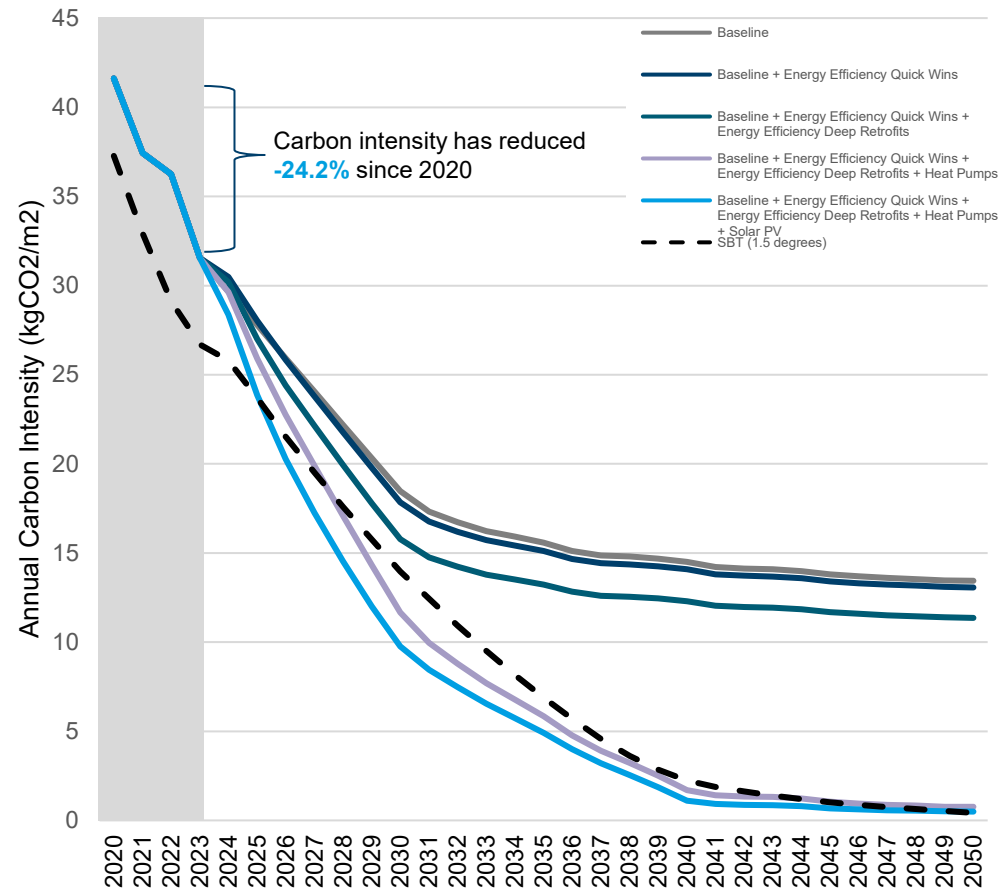
## Formally committed to operational Net Zero by 2040

### Impact of interventions on energy use

Interventions	EVORA Modelled timeframe	EVORA Modelled cost	EVORA Modelled energy use change
Business as usual	2024-40	-	6%
Quick wins	2023-26	c£0.6m	8%
Major asset refurbishment	2023-30	c£10.4m	9%
Renewables (PV)	2023-30	c£17.3m	20%
Electrification of heat	2023-45	c£28.5m	20%
<b>Cumulative cost &amp; saving impact</b>		<b>c£56.8m</b>	<b>62%</b>
Offsetting	2040	c£0.2m p.a.	Residual

- Carbon intensity reduced **-24.2%** from 41.6 to 31.6 kgCO<sub>2</sub>/m<sup>2</sup> based on 2023 modelled data against 2020 baseline
- Carbon emissions modelled to reduce from 15,482 tCO<sub>2</sub> in 2023 to 221.5 in 2040 (**-98.6%**) with this residual to be offset
- **44** Property Net Zero audits completed accounting for **c75%** of portfolio by floor area

### Portfolio annual carbon intensity



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

# Capturing rental growth

## Completed letting and lease renewals

### Wandsworth: 16,981 sq. ft. London distribution warehouse

- Lease renewal agreed with Colefax Group Plc for a 5 year term at a rent of £20.85psf, reflecting an uplift of **+44%** over previous passing rent.

### Croydon: 26,250 sq. ft. warehouse unit

- 10-year lease renewal agreed on Unit 6 at c£479,700 pa (£18.30 psf) reflecting a headline rental uplift of **+58%**




### Selby: 106,000 sq. ft. retail warehouse park

- AfL agreed with M&S to lease c22,485 sq.ft. at c£373,000 p.a. (headline c£16.60 psf reflects **+23%** over pre-Covid passing rent)
- Terms agreed with two occupiers to take remaining vacant space

### Newcastle:

- 10-year renewal with Freudenberg Sealing Technologies at c£425,000 reflects **+61%** over previous passing rent



<b>Outcomes</b>		<b>Financial</b>	Combined rent secured = £2.2 million p.a. Rental uplifts between 23% and 61% have generated significant like-for-like capital value uplifts over the period
		<b>Environmental</b>	Regears provide opportunity for tenant engagement to encourage green practices and data sharing. Refurbishment works at Selby and Croydon improve energy efficiencies
		<b>Social</b>	Maintaining and increasing building occupancy creates and preserves local jobs

Source: Columbia Threadneedle Investments, as at 30 June 2024. \*Headline rent achieved is on expiry of tenant incentive periods

# Threadneedle Property Unit Trust

## Portfolio EPC data



**Policy Statement objective:**  
Build resilient infrastructure & improve energy performance potential

**Key performance indicator:**  
Prioritise MEES compliance EPC 'B' by 2030 and EPC 'C' by 2027

	Annual as at calendar year end					Quarterly current calendar year			
	2019	2020	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
<b>Property assets</b>	218	199	168	145	105	98	93	92	
<b>Rateable units</b>	955	906	775	681	497	463	422	421	
<b>EPC coverage</b>	69.1%	93.6%	98.8%	99.3%	99.0%	99.1%	98.8%	100%	
<b>EPC rated A</b>	0.3%	0.4%	0.6%	1.8%	3.6%	3.5%	4.3%	5.8%	
<b>EPC rated B</b>	9.9%	13.2%	16.9%	21.7%	27.8%	28.3%	28.2%	30.2%	
<b>EPC rated C</b>	32.8%	38.6%	39.5%	38.5%	39.2%	38.4%	38.4%	38.8%	
<b>EPC rated D</b>	37.2%	32.4%	29.9%	28.0%	21.7%	23.1%	21.6%	18.1%	
<b>EPC rated E</b>	15.4%	13.3%	11.0%	7.6%	5.8%	5.0%	5.5%	6.4%	
<b>EPC rated F</b>	1.8%	0.9%	0.4%	0.4%	0.2%*	0.2%*	0.2%*	0.0%	
<b>EPC rated G</b>	2.7%	1.2%	0.5%	0.6%	0.6%*	0.6%*	0.7%*	0.0%	

Source: Columbia Threadneedle Investments, based on % rateable units, updated as at 30 September 2024. 2019 data sourced from GRESB submission. 2020 data as at November baseline. All other calendar years as at 31 December. \*From Q2 2023 all properties with units rated EPC 'F' and 'G' are located in Scotland which is subject to differing rating systems and regulations. One property rated EPC 'F' sold October 2023. Priorities are indicative and are in no way a guarantee of performance

# Threadneedle Property Unit Trust

## Portfolio annual energy consumption

**Prioritise 20% reduction in energy consumption by 2030, where the landlord has operational control**

	2018	2019	2020	2021	2022	2023
<b>Property assets</b>	242	218	198	168	144	105
<b>Landlord managed assets (S/C)</b>	98	92	90	84	73	59
<b>Data coverage: landlord-managed assets (gross floor area)</b>	84%	79%	77%	83.6%	91.7%	95.5%
<b>Total Landlord-Managed portfolio energy consumption – absolute</b>	<i>Not measured explicitly prior to 2021</i>			20,555,492 kWh	24,813,947 kWh	27,517,093 kWh
<b>Tenant managed assets (FRI)</b>	144	126	108	84	71	46
<b>Data coverage: tenant-managed assets (gross floor area)</b>	20.5%	23.0%	29.0%	62.6%	77.7%	75.3%
<b>Total Tenant-Managed portfolio energy consumption – absolute</b>	<i>Not measured explicitly prior to 2021</i>			19,841,073 kWh	20,507,706 kWh	12,159,099 kWh
<b>Data coverage: whole portfolio (gross floor area)</b>	53.4%	55.7%	61.7%	78.4%	85.8%	88.7%
<b>Total portfolio energy consumption – absolute</b>	26,921,092 kWh (12.2%)	25,489,785 kWh (-5.3%)	21,701,092 kWh (-15.0%)	40,396,565 kWh (86.2%)	45,321,654 kWh (12.2%)	39,676,192 kWh (-13.5%)
<b>Total portfolio electricity consumption – absolute</b>	16,444,766 kWh (21.4%)	17,842,685 kWh (8.5%)	13,773,889 kWh (-30.5%)	27,353,014 kWh (98.6%)	31,621,383 kWh (15.6%)	27,847,875 kWh (-10.9%)
<b>Total portfolio gas consumption – absolute</b>	10,476,323 kWh (20.9%)	7,577,826 kWh (-27.7%)	6,554, 657 kWh (-15.6%)	13,043,551 kWh (99.0%)	13,700,270 kWh (5.0%)	11,828,316 kWh (-19%)

**EVORA Notes:**

- Decreased total energy consumption is partly attributable to asset sales throughout 2022 and early 2023.
- 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 Property Unit Trust

## Portfolio greenhouse gas emissions

**Prioritise 30% reduction in GHG emissions by 2030, where the landlord has operational control**

	2018	2019	2020	2021	2022	2023
<b>Property assets</b>	242	218	198	168	144	105
<b>Landlord managed assets (S/C)</b>	98	92	90	84	73	59
<b>Data coverage: landlord-managed assets (gross floor area)</b>	84%	79%	77%	83.6%	91.7%	95.5%
<b>Tenant managed assets (FRI)</b>	144	126	108	84	71	46
<b>Data coverage: tenant-managed assets (gross floor area)</b>	17%	17.6%	29.0%	62.6%	77.7%	75.3%
<b>Data coverage: whole portfolio (gross floor area)</b>	48.8%	50.0%	61.7%	78.4%	85.8%	88.7%
<b>GHG emissions – absolute (year on year % difference)</b>	7,615 tonnes (7.6%)	5,993 tonnes (-21.3%)	3,966.0 tonnes (-33.8%)	8,194 tonnes (106.61%)	8,616 tonnes (5.1%)	7,904 tonnes (-10.2%)

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 Property Unit Trust

## Portfolio water and waste consumption data

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

		2018	2019	2020	2021	2022	2023
<b>Property assets</b>		242	218	198	168	144	105
<b>Landlord managed assets (S/C)</b>		98	92	90	84	73	59
<b>Data coverage: landlord-managed assets (gross floor area)</b>	Water	39%	39%	31%	30.1%	38.2%	45.3%
	Waste	14%	27%	27%	22.9%	21.5%	31.6%
<b>Tenant managed assets (FRI)</b>		144	126	108	84	71	46
<b>Data coverage: tenant-managed assets (gross floor area)</b>	Water	0	8.0%	8.7%	39.2%	53.0%	53.7%
	Waste	0	13.2%	14.07%	32.3%	52.1%	37.2%
<b>Data coverage: whole portfolio (gross floor area)</b>	Water	15.7%	23.2%	24.0%	38.8%	44.3%	48.2%
	Waste	7.0%	20.0%	21.1%	27.0%	34.3%	33.5%
<b>Total water consumption – absolute</b>		130,373 m <sup>3</sup>	279,902 m <sup>3</sup>	271,535 m <sup>3</sup>	79,332 m <sup>3</sup>	92,766 m <sup>3</sup>	31,081m <sup>3</sup>
<b>Total waste consumption – absolute</b>		399.00 tonnes	788.72 tonnes	8,795.74 tonnes	2,516 tonnes	2,081 tonnes	1,448 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 Property Unit Trust

## Portfolio flood risk data (proxy climate change risk)

Monitor and report flood risk for every asset on an annual basis

Portfolio risk exposure by value	2019	2020	2021	2022	2023
<b>Property assets</b>	206	199	168	145	104
<b>Low</b>	164 (74.9%)	158 (75.1%)	135 (74.5%)	115 (74.2%)	82 (77.6%)
<b>Medium</b>	33 (21.6%)	32 (21.3%)	27 (22.3%)	24 (22.1%)	18 (19.3%)
<b>High</b>	5 (2.2%)	5 (2.1%)	3 (1.7%)	5 (3.1%)	3 (2.7%)
<b>Extreme</b>	4 (1.4%)	4 (1.5%)	3 (1.5%)	1 (0.6%)	1 (0.5%)

Extreme risk assets	High risk assets
Sheffield, The Square	Redhill, Red Central
	Galashiels, Gala Water Park
	London E10, Lea Bridge Road

Source: Columbia Threadneedle Investments, as at 31 March 2024. All data as at 31 December unless otherwise stated

Notes: Two assets rated 'High Risk' sold in Q4 2021: Derby, 20-25 Albert Street and Bristol, 2 Zetland Road. Flood Risk Assessments commissioned on High / Extreme risk assets.

Physical Risk Screening Analysis undertaken November 2021 to compliment the above flood risk statistics and is available on request.

# Risk Management Report – Threadneedle Property Unit Trust (TPUT) – September 2024

The key areas of risk impacting this fund as at the end of September 2024 are outlined below:

Low Risk     
  Medium Risk     
  High Risk

RISK DESCRIPTION	SENSITIVITY	MEASURES	RISK COMMENT (Limits exceeded/ positive risks)
Liquidity	Medium - Open ended Fund but Trust Deed provides the manager with the power to control inflows and outflows if in the interests of remaining Unit Holders.	Current target liquidity of 6.5% of GAV with a ceiling at 10.0% under Trust inflow protocol.	Liquidity at quarter end: 8.3%
Leverage	Low - Scheme restricts allowable leverage limits	Trust deed permits leverage up to 35% of NAV. Investment Guidelines strategic aim of borrowing at maximum 10% of GAV	Current leverage: Nil
Development	Low - significant spread of property with no current speculative development.	Trust deed sets a maximum 20% of NAV (not let or pre-let). Investment Guidelines restrict to maximum 10% of NAV (not let or pre-let) to be in course of substantial development.	Total Current Development as % NAV: Nil
Market	Medium - Fund exposed to impact of volatility within the market	5 year monthly total return volatility using the MSCI UK Monthly Property Index	5 year monthly total return volatility as at end-September 2024: 16.7% <sup>1</sup>
Single Occupancy Risk Exposure	Low - good spread and diversity of tenants	Trust Deed: Exposure to single tenant as percentage of total rental income not to exceed 20%. Investment Guidelines: restricted to 10% of total rental income.	Current highest rental income from one tenant: 4.4% of total rental income
High Value Property	Low - Pre-purchase due diligence and diversity of portfolio.	Trust Deed: Maximum allowable value of any one purchase: 15% of NAV. Investment Guidelines: Maximum 10% of GAV on an ongoing basis.	Largest current property asset as % of GAV: 4.8%
Single Investor	Medium - Monthly dealt fund with no restriction on maximum investment	Optimum maximum exposure of no more than 10% total investment from one single investor	Highest single investment at quarter end: 15.0% <sup>2</sup>
Vacancy Rates	Low - good spread and diversity of tenants	No specific tolerance in Trust Deed but up to 15% of total Estimated Rental Value (ERV) excluding property under redevelopment would be regarded as tolerable.	Total Estimated Rental Value of vacant space at end of quarter: 9.3%
Rental collection	Medium - Large number of properties with rental income focused on wide number of tenants.	Target: 95% of Rental Income to be collected within 21 days of quarter day	Quarter ending September 2024: 97.1% collected at day 21.
Counterparty	Low - Minimal Counterparty Exposure	No Maximum restriction within scheme.	Deposits with single bank at end of quarter: 8.5% of GAV
Leasehold interest	Low - Low incidence of short leasehold interest	Trust Deed: not more than 15% of NAV to comprise leasehold interests with less than 60 years unexpired.	Value of leasehold properties with less than 60 years unexpired: Less than 1% of NAV

<sup>1</sup>Market Risk – The property market suffered material valuation volatility in Q4 2022 driven by significant macroeconomic uncertainty. Valuation movements have returned to 'normal levels' since, with this lower volatility forecast to continue in the near-term. <sup>2</sup>Single Investor - Increased investor level due to investor previously purchasing additional units in the Fund. Exposure level not a concern, but longer-term aim is to bring position back into compliance.

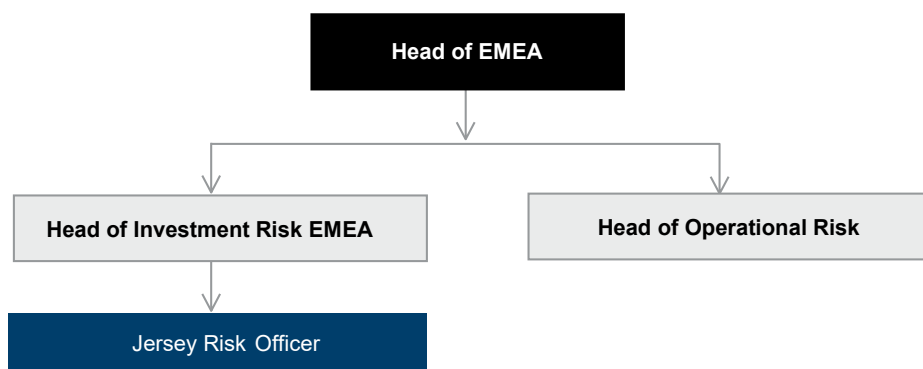
# The Columbia Threadneedle Risk Management System

The Columbia Threadneedle Investments Real Estate Investment Risk Team is based in London and provides oversight risk management services to TPSL. It forms part of the Global Investment Risk Team, which collectively provides investment risk management services to all Columbia Threadneedle entities. The Investment Risk Team function is led by the Head of Investment Risk EMEA, reporting to the Head of EMEA.

The Risk Team:

- Oversees implementation of the risk management policy and procedures;
- Oversees compliance with risk limits within each property fund;
- Provides advice to TPSL as regards the identification of the risk profile of a Fund;
- Provides regular reports to the TPSL Board and relevant committees on:
  - the consistency between the current level of risk incurred by each Fund and the risk profile agreed for that Fund;
  - the compliance of the Funds with risk limits identified in fund prospectus or investment management agreements; and
  - the adequacy and effectiveness of the risk management process, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies;
- Ensures regular reports are provided outlining the current level of risk incurred by the relevant fund and any actual or foreseeable breaches to their limits, so as to ensure that prompt and appropriate remedial action can be taken.

A structure chart of the Investment Risk Team as it relates to property risk is provided below. The Investment Risk Team has an independent reporting line to the Head of EMEA at Columbia Threadneedle:



The Jersey Risk Officer oversees regular monitoring of risk data associated with TPUT. Typically, this data comprises a combination of:

- Market Risk Data
- Leverage Risk
- Liquidity rates against desired ratios
- Tenant credit rating
- Tenant exposure
- Rental Income and Collection
- Vacancy rates within the fund

Data is monitored in conjunction with the investment rationale for the fund to ensure that the risks faced by the fund are assessed adequately and controlled appropriately. The Investment Risk Team are responsible for overseeing that the provision of data to the Jersey Risk Officer, risk analysis and recommendation is reliable, timely and accurate.

#### **Material Changes**

During the quarter no material changes have occurred.

**Kevin Mundy**  
**Jersey Risk Officer**

**September 2024**

# 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 Prospectus.\
- **Bid/Offer Spread:** The bid/offer spread on units reflects the costs of buying and selling investments.
- **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.
- **Portfolio turnover ratio:** Defined as the total value of the quarterly purchases and sales minus the total value of the funds’ new issues and redemptions expressed as a percentage of the average NAV over the preceding four quarters.

# Important Information

For your sole use as existing investor only.

Past performance is not a guide to future performance. The value of investments and any income from them can go down as well as up. This material is for information only and does not constitute an offer or solicitation of an order to buy or sell any securities or other financial instruments, or to provide investment advice or services.

The analysis included in this document has been produced by Columbia Threadneedle Investments for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. Any opinions expressed are made as at the date of publication but are subject to change without notice. Information obtained from external sources is believed to be reliable but its accuracy or completeness cannot be guaranteed.

The Trust invests 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.

Threadneedle Property Unit Trust is an unclassified open-ended unit trust domiciled in Jersey, governed by a fourth amended and restated trust instrument under Jersey law dated 4 December 2014 (as may be amended from time to time) made between the Manager and the Trustees (the "Trust Instrument"). This Trust is not registered for sale outside the United Kingdom and may not be offered to the public in any other country.

In the UK, the Trust is an unregulated collective investment scheme for the purposes of Section 238 of the Financial Services and Markets Act 2000. Accordingly, this document must not be communicated to retail persons in the UK but may only be communicated to persons described in the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions Order) 2001 and to persons whom units are permitted to be promoted in accordance with the FCA's Conduct of Business rules. Approved for UK purposes by Threadneedle Asset Management Limited and Threadneedle Portfolio Services Limited. Authorised and regulated by the Financial Conduct Authority. Investors are advised that the protections afforded by the UK regulatory system may not apply to an investment in the Fund and compensation will not be available under the UK Financial Services Compensation Scheme.

In Jersey, the Trust, which is regulated by the Jersey Financial Services Commission, is treated as an unclassified fund for the purposes of the Collective Investment Funds (Jersey) Law 1998. Units in the Trust may only be promoted in accordance with the aforementioned legislation.

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