# Threadneedle Property Unit Trust

## Quarterly Report as at 31 March 2025

For Existing Investors only

# Contents

# Mandate Summary

## Contact Information

| | |
|---|---|
| Fund Manager | **James Coke** |
| Client Director Property | **James Allum** |
| Institutional Client Director | **Moira Gorman** |
| Institutional Client Director | **Andrew Brown** |
| Central Contacts: | |
| Client Services Team | **clientservices@ columbiathreadneedle.com** |
| Consultant Relations Team | **consultantteam@ columbiathreadneedle.com** |

## Mandate

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 1,007 million
- Benchmark — MSCI/AREF UK All Balanced Property Fund
- Base currency — GBP
- Reporting currency — GBP
- Bid — 260.83
- Offer — 277.15
- NAV — 263.58
- Jersey domiciled property unit trust.
- Income distributed quarterly (can be reinvested)
- Prices and deals at month ends.
- Bid/offer spread maximum of 6.2%

NOTE: All values are gross of fees, unless otherwise stated.

# Investor Notification

**Acquisition of "UK Property Fund"**

Following the investor call hosted on 24th January, the Fund Management team is pleased to report completion of the acquisition UK Property Fund (UKPF) via a Scheme of Arrangement effective 28th February 2025. The outline terms of the transaction are summarised as follows:

- **Summary:** TPUT has acquired the assets of UKPF by way of issuing new units in TPUT to UKPF investors. The transaction was approved by 98.9% of UKPF investors, and the remaining 1.1%of UKPF investors are anticipated to transfer to TPUT end-April 2025. The 28 February transaction NAV was £125.9M which reflected a 6.8% discount to the UKPF NAV immediately prior to the transaction, including a 1%allowance for costs as described below.
- **Background:** Following the aftermath of the September 2022 'mini budget' the UK funds marketplace experienced significant pricing and liquidity volatility. As a result of this, some funds have experienced redemptions and/or are no longer considered viable going concerns due to the resulting reduced scale. We have witnessed the closure of a number of funds. In this context, TPUT has been exploring opportunities to add complimentary assets and long-term investors, to retain vibrancy and relevance in an increasingly competitive marketplace. This process has included extensive asset, corporate and legal due diligence.
- **Rationale:**
  - UKPF has 16 property assets and cash. Approximately 48.6% of assets are industrial, 26.4% are office, 20.6% are retail and 4.4% is cash. The average lot size of the assets is circa £8 million and the fund offers a NIY of circa 6% and an EQV yield of circa 7%. All of these characteristics are comparable to TPUT and consistent with its investment philosophy.
  - The assets in the fund are considered a complimentary fit for TPUT and are anticipated to deliver property-level IRRs of between 7-9% annually.
  - The largest three assets in UKPF comprise a single-let refurbished warehouse in Harlow, a multi-let industrial estate with strong reversionary prospects in Warrington, and a South East office which has recently been granted planning consent for conversion to industrial and self-storage uses, and is considered to represent an exciting value-add project for TPUT to deliver upon lease expiries in 2028.
  - The majority of investors in UKPF, including an LGPS Pool, have expressed a preference to remain long-term investors in UK real estate and TPUT therefore offers attractive continuity. There is some commonality between investors in TPUT and UKPF.
- **Pricing:** The transaction was priced on a NAV-to-NAV basis, subject to the property valuations for the purpose of calculating the NAV being based on an average of the incumbent valuer and TPUT's valuer (CBRE) and where the deviation between any two property values is 5% then then an average of three valuations shall be taken (the third party valuer being appointed jointly by both Fund Managers). This methodology is considered appropriate to protect the interests of all parties.
- **Costs:** TPUT investors were shielded from transactional costs using a principle consistent with the standard bid-offer spread in operation on the issuance of new units. New units associated with the transaction were issued at the transaction NAV less 1%, to cover TPUT transaction costs.
- **Liquidity / Redemptions:** UKPF had a redemption queue of circa £11 million which will be settled via existing cash (£6 million), asset sales under offer (£5 million), TPUT secondary unit demand (£7 million identified) and if necessary topped up with TPUT cash (£77.5 million). Redemptions are to be settled on standard TPUT terms and no UKPF investor is receiving any accelerated or preferential redemption timescale.
- **Governance:** The transaction terms were reviewed and approved by the Investment Advisor, Manager and Trustees of TPUT and the JFSC.

Should you have any questions regarding this transaction, please contact either your Client Relationship Director or any member of the Fund Management team.

Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and AREF UK Quarterly 'All Balanced Open-Ended' Property Fund Index, 31 December 2024

# Portfolio highlights

**NAV**
£1,007 million

**Properties**
108

**Average lot size**
£8.6 million

**Gross rent roll**
£60.8 million p.a.

**Tenancies**
547

**Cash**
8.0% (5.0%)*

**Vacancy rate**
7.3% (12.1%)

**WAULT** 4.5 years
(6.6 years)

**GRESB Rating**
73/100

%NIY

**Net Initial Yield**
6.1% (5.0%)

%EY

**Equivalent Yield**
7.9% (7.1%)

**Total Return**
8.7% (6.4%)*
(12 months)

**Past performance is not a guide to future returns.**
Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index (figures in brackets) and *MSCI/AREF All Balanced Property Fund Index. Cash is net debt % NAV. Total return is 12-month net fund NAV to NAV return. All as of 31 March 2025. 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 initial estimate for UK GDP growth in Q1 25 is c.0.6%, an acceleration on the c.0.1% growth recorded in Q4 24. Despite surpassing market expectations growth is modest amidst a backdrop of tight fiscal policies, the continued impact of past interest rate hikes, escalating trade tensions with the imposition of a 10% blanket tariff on UK exports to the United States resulting in volatility in stocks and bonds. The direct impact of the tariffs on the UK is expected to be relatively limited, but the indirect impact through reduced global demand and heightened uncertainty will most likely dampen growth. The latest forecast for GDP growth is c.1.0% for 2025.

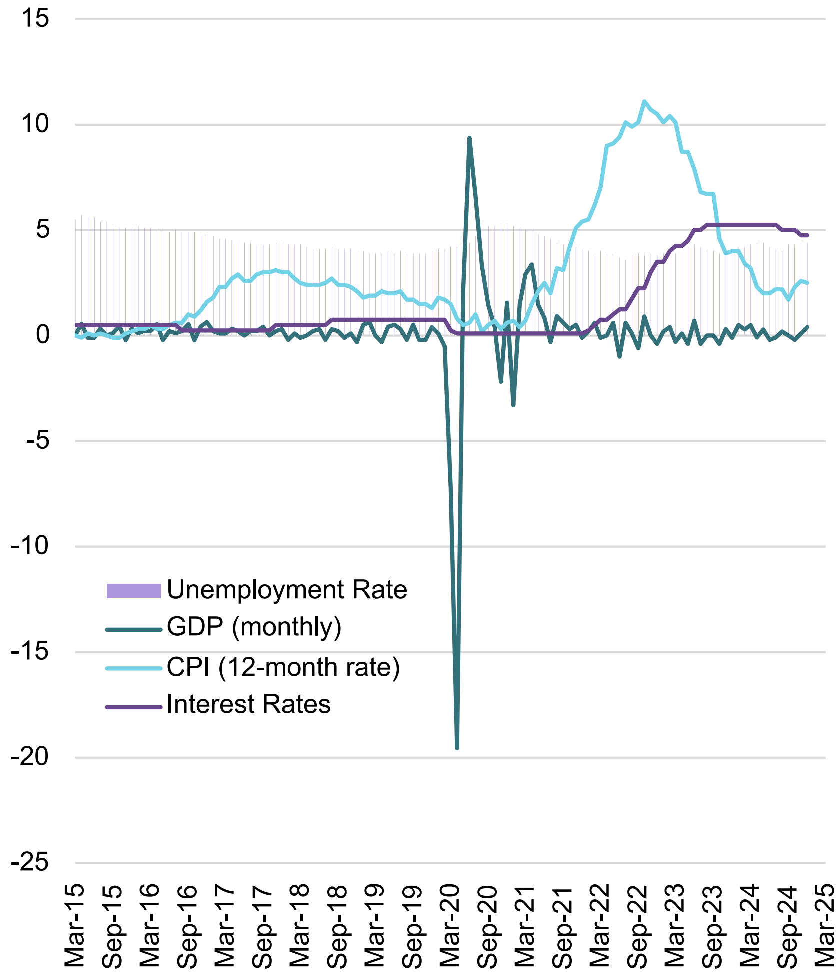
The Bank of England (BoE) kept interest rates on hold at 4.50% at the Monetary Policy Committee's (MPC) meeting in March 2025, however leaving the door open for further reductions this year as it grapples with both global trade tensions, the imposition of a 10% blanket tariff on exports to the United States and price pressures in the UK. The MPC is expected to maintain a relatively cautious approach to loosening policy, continuing its 'cut-hold' tempo until it has more evidence on the impact of April's increases to both National Insurance Contributions (NICs) and the National Living Wage (NLW) which were announced in the Autumn Budget in October 2024.

The muted GDP growth and high government borrowing costs wiped out the government's headroom against its fiscal 'stability rule' in the run up to the Spring Statement in March 2025. Unfavourable forecast revisions from the Office for Budget Responsibility forced the Chancellor to implement a small package of spending cuts. The next Budget is likely to require more tax rises, greater spending restraint, or another change to the fiscal rules.

UK inflation recorded c.2.6% in the 12 months to March, a decrease from the c.2.8% in recorded in February. Although the rate of inflation fell in March, this is likely to prove temporary, with the latest Consensus Economics survey now expecting inflation to peak at 3.7% in Q3 25 before decreasing thereafter. Regulated energy price hikes in April, including a 26% rise in water bills and a 6.4% increase in the energy price cap, will contribute to the higher inflation.

UK unemployment rate remained unchanged at c.4.4% (3-months to February), but labour market conditions are likely to deteriorate as the increase in employers NICs took effect in April and is expected to dampen employment and pay growth with firms likely to try and pass on some of the extra costs. Profit margins will also likely be squeezed and so companies will look to cut spending on wages and salaries via a combination of smaller pay rises and lower headcount. The latest retail sales unexpectedly rose c.0.4% in March. However, the latest data does not take in the impact from Trump's tariff shock in April and the rise in business and household costs taking effect. Consumer confidence fell four points to -23 in April which is the lowest level for over a year suggesting that households may start to spend more cautiously in the coming months.

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




Source: Columbia Threadneedle Investments, Oxford Economics (forecast economic data), MSCI UK Monthly Property Index, as at 31 March 2025. ONS data as at date stated.

# Market Context: Occupier market

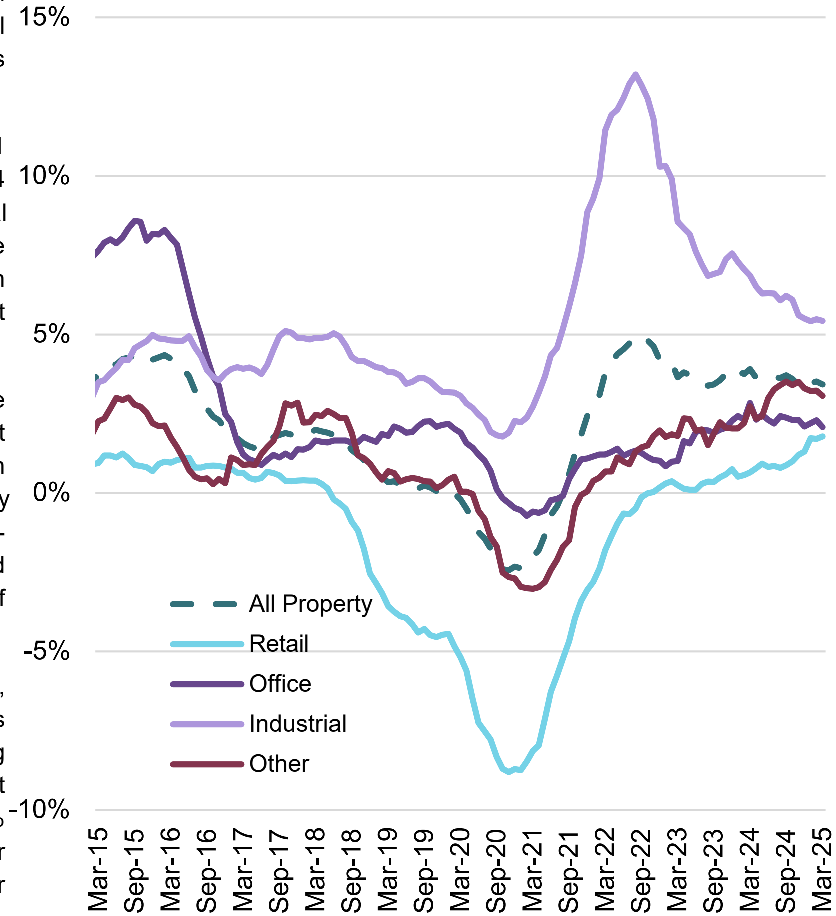
All-property rental value growth in Q1 25 recorded c.0.9% (c.3.4% on a 12-month basis), and unchanged from Q4 24. The residential sector was the largest contributor, recording c.1.6% in Q1 25 (c.7.4% on a 12-month basis) however this reflects a decline on the c.1.9% recorded in Q4 24. Despite this quarterly decrease, the underlying fundamentals of the sector remain strong, supported by the ongoing shortage of high-quality housing stock and steady demand driven by population growth and urban migration along with the high cost of home ownership. Long-term drivers such as the structural undersupply of housing continue to support positive rental trends, especially as development pipelines remain limited, keeping supply constrained.

Of the traditional commercial sectors industrial recorded the strongest quarterly rental growth. In Q1 25, industrial rental growth was c.1.1% (c.5.4% on a 12-month basis) below the c.1.5% recorded in Q4 24. Despite vacancy rates trending upwards, this follows a period of historical lows and further rental value growth is expected due to the constrained development pipeline and strong demand for suitable space amongst occupiers. Increased competition amongst occupiers for best-in-class space that can offer the strong ESG credentials required to meet corporate agendas will likely cause further market polarisation and broaden the rental gap that exists between prime and secondary space.

Office rental value growth in Q1 25 recorded c.0.8% (c.2.1% on a 12-month basis), above the c.0.4% in Q4 24. All Central London submarkets recorded positive rental growth in Q1 25 with the West End Midtown the strongest performing sub-sector recording growth of c.2.2% (c.4.8% on a 12-month basis) and substantially above the c1.0% in Q4 24. The gap between rents for prime and secondary office space continues to widen. The polarisation highlights the growing occupier preference for well-located, high-quality assets with tenants prioritising lease flexibility and spaces that support the hybrid working models that have become established over the last five years. This is at the expense of secondary spaces which face weaker demand and declining rents.

In Q1 25 rental value growth within the retail sector recorded c.0.5% (c.1.8% on a 12-month basis), below the c.0.7% recorded in Q4 24. Growth was recorded across all retail sub-sectors but was primarily driven by retail warehousing. The retail warehousing sector continues to demonstrate strong occupational demand, with significantly lower vacancy rates than those recorded across the high street and shopping centre sub-sectors. In Q1 25, rental value growth for retail warehouses recorded c.0.7% (c.2.5% on a 12-month basis), below c.0.9% in Q4 24, but resilient footfall and sustained occupier demand continues to place upward pressure on market rents. The shopping centre sub-sector recorded rental value growth in Q1 25 at c.0.1% (c.1.6% on a 12-month basis), a decrease on c.0.3% in Q4 24.

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




Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2025.

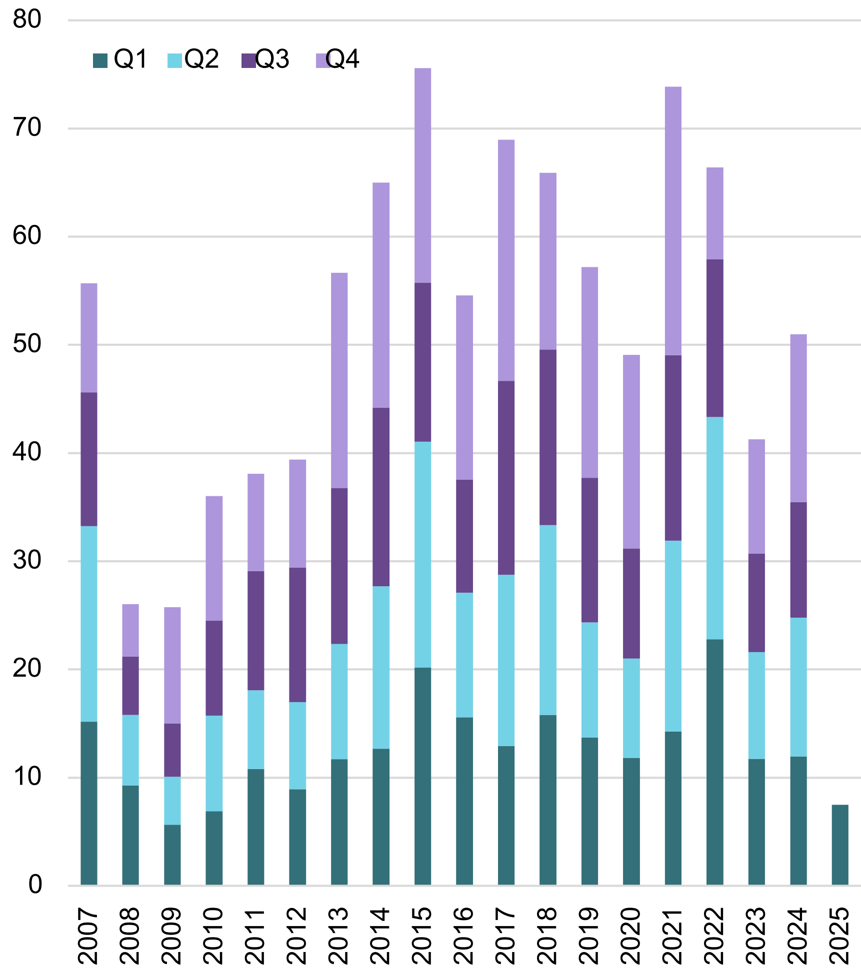
## Market Context: Investment market

Investment activity was muted in Q1 25 with preliminary data indicating c.£7.5BN was invested in UK real estate, a significant decrease on the c.£15.5BN reported in Q4 24. The final figure, when available, will most likely be higher, but is still expected to be below the 2024 quarterly average of c.£12.7BN. Including the Q1 volume, this brings the rolling 12-month total to c.£46.5BN – an increase of c.12% from the c.£41.5BN in the 12-months to Q1 24. The majority of activity took place in the living sector (c.31%) which includes hotels, purpose-built student accommodation, healthcare and the private rented sector. This was followed by the office sector (c.26% share) with industrial and retail accounting for a similar share of between c16.0% and c.18%.

Investor appetite is evident, but deal volumes were low in Q1 25 due to a shortage of stock being prepared for sale as vendors hold back on actively marketing product due to the uncertain economic environment, choosing to wait until there is more clarity and less volatility. Live transactions are taking longer to conclude, again impacting higher levels of investment activity. The Bank of England held the base rate at 4.50% in March, but forward guidance points to gradual policy loosening later in 2025. The prospect of further interest rates cuts should help to stimulate higher levels of investor activity, with H2 25 anticipated to be more active than H1 25. Debt costs have also decreased recently, making leverage more attractive for new acquisitions and refinancing, and real estate lending is anticipated to increase in 2025.

Capital values had been recovering over 2024 and were positive at an all-property level in Q1 25 (c.0.6%). All sectors recorded positive capital value growth over Q1 25, except for the office and leisure sectors. These sectors are however, seeing the pace of capital value decreases slowing. The recent uncertainty in the financial markets could unwind some of the gains made in 2024, slow decision making, lengthen deal times and put upward pressure on property yields especially for lesser quality assets and sectors where demand is weaker. Where activity does take place, demand for operational assets is expected to continue as they provide steady cashflows and diversification benefits against some other commercial sectors such as offices which continue to face structural challenges. Retail warehousing should remain attractive supported by resilient occupier demand and limited supply. Likewise, the fundamentals in the UK industrial and logistics market remain positively supported by underlying structural forces, backed by expectations of continuing rental growth and outperformance on returns over the medium term. Offices offer selective buying opportunities, particularly for high-quality, prime assets at or near the bottom of the market which are increasingly favoured by businesses. Investor interest in alternative sectors continues to strengthen, particularly those aligned with long-term structural trends. Data centres remain a key focus, underpinned by demand for digital infrastructure, cloud storage, and AI.

**UK investment volumes (£ bn)**




Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2025, MSCI Real Capital Analytics Q1 2025 Preliminary Data.

# Market Context: Returns

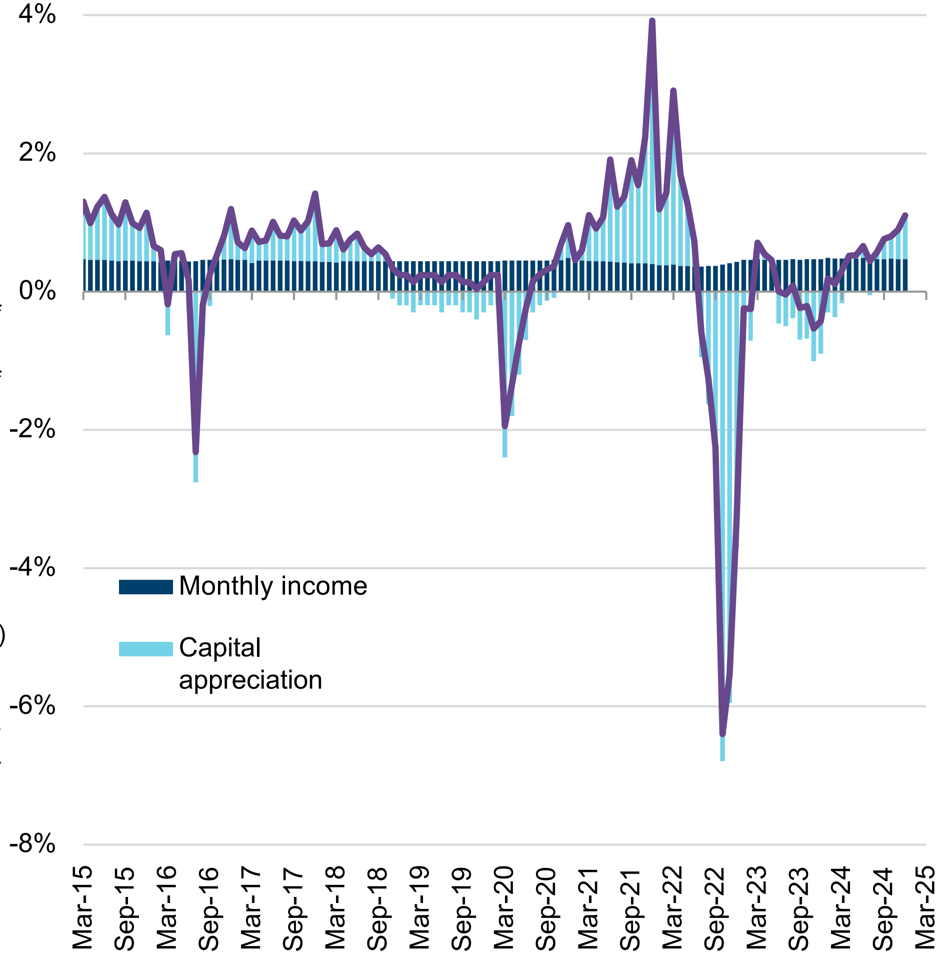
In Q1 25, total returns for the UK commercial property market recorded c.2.0%, (c.8.5% on a 12-month basis) decreasing from c.2.8% recorded in Q4 24. The Q1 25 total return comprised of capital value growth of c.0.6% (c.2.5% on a 12-month basis) decreasing from c. 1.3% in Q4 24 and an income return of c.1.4% (c.5.9% on a 12-month basis). Income was unchanged (c.1.4%) over the quarter compared to Q4 24 and is expected to remain the primary driver of total returns, with further market driven capital growth likely to be limited, at least in the short to medium term.

Of the traditional commercial real estate sectors the retail sector was the strongest performing sector in Q1 25, delivering a total return of c.2.4% (c.11.4% on a 12-month basis), decreasing from c.3.5% in Q4 24. Income return decreased marginally over the quarter to c.1.7% from c.1.8% in Q4 24, (c.7.2% on a 12-month basis) while capital value growth decreased to c.0.6% in Q1 25 (c.3.9% on a 12-month basis) from c.1.7% in Q4 24.

Amongst the retail sub-sectors, shopping centres showed the strongest performance, delivering a total return of c.3.1% in Q1 25 which was a decrease on c.3.7% in Q4 24 (c.13.0% on a 12-month basis). The Q1 25 total return was largely driven by an income return of c.2.4% (c.9.9% on a 12-month basis) and capital value growth of c.0.7% (c.2.9% on a 12-month basis). Retail warehousing followed closely behind with a total return of c.2.4% in Q1 25, a decrease on c.4.0% in Q4 24 (c.13.0% on a 12-month basis). The income return in Q1 25 was c.1.6% (c.6.9% on a 12-month basis) and capital value growth of c.0.7% (c.5.7% on a 12-month basis). The UK retail warehouse market is supported by a very favourable imbalance of supply and demand. Vacancy is currently c. 3.5% (for comparison, high streets c. 12% and shopping centres c. 9%) and is constrained by a very limited development pipeline which is restricted by the planning regime and elevated construction costs.

The industrial sector recorded a total return of c.2.2% in Q1 25, (c.10.4% on a 12-month basis) below the c.3.6% recorded in Q4 24. The income return for industrials recorded c.1.2% (c.5.1% on a 12-month basis) remaining unchanged on Q4 24, whilst capital value growth recorded c.1.0%, (c.5.1% on a 12-month basis) below the c.2.3% recorded in Q4 24. Supply levels have been increasing over the past two years but the relatively cautious appetite for speculative development will help to restrain supply, whilst demand for last-mile logistics and supply chain restructuring should support occupier take-up.

**UK commercial property monthly total returns**




Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2025.

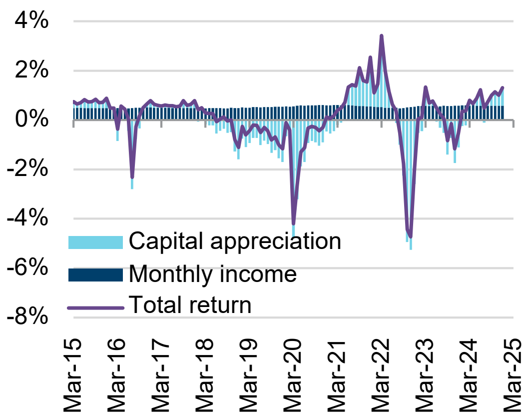
# Market Context: Returns cont.

Total returns in the office sector remained positive in Q1 25 at c.1.1% (c.2.4% on a 12-month basis), marginally above the return of c.1.0% in Q4 24. The modest improvement in total returns continues to be driven by a reduction in the rate of capital values decreases which recorded c.-0.2% in Q1 25 (c.-3.1% on a 12-month basis) compared to a decrease of c.-0.3% in Q4 24. Demand continues to be focused on best-in-class assets, in prime locations with high-quality amenities and strong ESG credentials of which there is low supply due to recent low levels of development starts as construction costs remain elevated. The resilience in this part of the market is helping to partially offset broader sector weaknesses through continued rental growth (e.g. London West End Midtown rents grew c.2.2% in Q1 25).

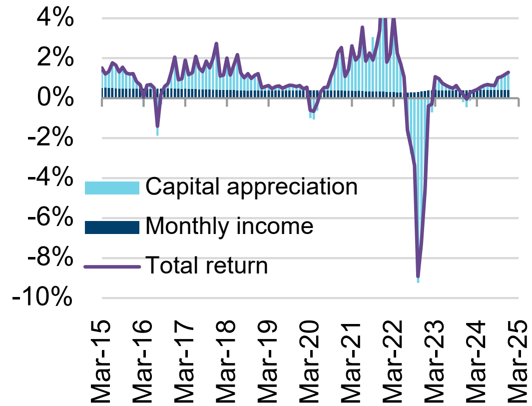
The Other sector, which includes residential, student housing, healthcare, and hotels, recorded a total return of c.2.1% in Q1 25 (c.7.0% on a 12-month basis), an increase on the c.1.3% recorded in Q4 24. The total return consisted of a c.1.7% income return (c.7.0% on a 12-month basis), while capital values recorded an increase of c.0.4% (c.0.0% on a 12-month basis). The strongest performing sub-sector was residential with a total return of c.2.7% in Q1 25, followed by hotels which recorded a total return of c.2.1%. The Other sector has become an increasingly significant component of the MSCI Index, growing from c.3% to c.10% over the past decade, as investors look to capitalise on demographic shifts.

The All-Property net initial yield at the end of March 2025 was c.5.3%, stable over the last three months since December 2024. The equivalent yield also remained stable at c.7.1% in March 2025. Further yield stabilisation is expected as interest rates trend downwards and lending conditions improve.

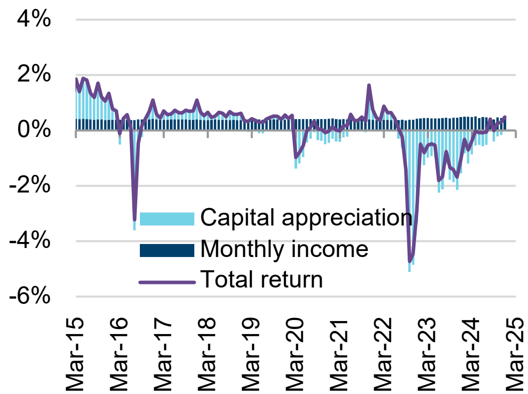
**Retail total returns**



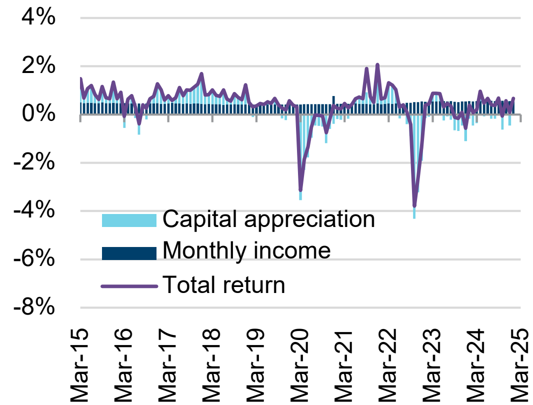

**Industrial total returns**




**Office total returns**




**'Other' total returns**




Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2025.

# Market Context: Outlook

Looking ahead the expectation is for the UK economy to return to a more stable long-term trend rate of growth. In the short-term inflation will probably see some volatility related to energy prices, wages, and service sector inflation, but towards the latter part of the year it is expected to settle around or possibly just above the government's 2.0% target level. Consequently, the Bank of England is facing a delicate balancing act in the coming months as it gauges evidence of a slowing economy, a weakening jobs market and financial market volatility against the prospects of a short-term rise in inflation. The expectation is however for the Bank to continue its rate cutting cycle.

At c.8.5% the 12-month to March total return for commercial property surprised on the upside, driven by resilient occupational markets and sustained, positive rental growth across sectors. Going forward tariffs and global political and financial uncertainty are likely to delay some occupational and investment transactions, which were already taking longer to close than in previous cycles and it will also most likely delay some asset being prepared and brought to market for sale. Tariffs have introduced a lot of 'noise' into financial markets – but overall, the impacts on real estate are likely to be secondary (and in some cases such as logistics onshoring be positive) which should provide investors and managers with sufficient visibility to make informed decisions and does not materially impact our house view which remains based on 'ground up' property fundamentals.

The generally lower cost of capital is encouraging some investors to seek opportunities, leveraging the rebasing of yields the market has seen over the past few years. Sectors will perform differently however, as real estate continues to transition from being largely cyclical in nature to structural in nature, where sectorial performance has diverged based on perceived alignment/misalignment to long-term thematic trends. Users of real estate are increasingly discerning, creating a growing divide between assets that align with their operational needs and those that do not. This divergence means the gap between prime and secondary assets will likely persist, or in some cases, widen.

Top performing sectors are expected to be logistics and living driven by e-commerce expansion and supply chain reorganisation in the case of the logistics sector, and a persistent shortage of quality residential properties in the case of living. Retail warehousing is also disproportionately benefitting from multiple occupational tailwinds: convenience/accessibility to consumers at a relatively low (per sq ft) rental price point, servicing omni-channel functionality (returns and 'click and collect') with the advantage of driving higher footfall levels to physical units. In contrast, the office market continues to bifurcate with most of the occupier demand focusing on prime, ESG-compliant assets in core urban locations, while secondary stock faces risk of obsolescence without significant investment.

UK domestic policy changes are expected to continue to shape the investment landscape. For example, planning reforms including recent updates to the National Planning Policy Framework, brownfield incentives, and tighter local plan requirements aim to accelerate housing delivery and unlock land supply. While these create opportunities in residential and mixed-use schemes, challenges remain around greenbelt policy and local authority execution. In response to rising development risks and global uncertainty, investors are shifting focus to repositioning assets and value-add strategies. Strategic land and planning expertise will be crucial in capitalising on policy-led growth and navigating external shocks.

This type of uncertain environment has typically offered a strategic entry point for investors. However, they will need to be highly selective in terms of stock selection as they seek to deploy ahead of any potential recovery. Proactive asset management will be a crucial element of maintaining an asset's relevance and unlocking its value and is identifying key growth sectors. We remain very excited about the opportunity that lies ahead of us as we seek to capitalise on sectoral trends to unlock value within the broader market correction.

Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2025.

# Global perspectives into practice

## Key sector metrics as at end March 2025

**Trending key:**
- Strengthening
- Stable
- Weakening

| | Industrials | Offices | Retail | Alternatives |
|---|---|---|---|---|
| **Headlines** | Positive structural forces support sustained long-term demand in a transitioning sector | Good-quality, well-located assets attract the bulk of attention as hybrid working strategies continue to evolve | Convenience and value anchor the continued success of retail parks. Options limited with vacancy low | Undersupply of residential units and PBSA support long-term sector growth as well as positive rental growth |
| **Vacancy*** (By Market Rent) | 9.0% | 26.0% | 6.4% | 2.2% |
| **Rental Growth*** (Annualised) | 5.4% | 2.1% | 1.8% | 3.1% |
| **Prime Yield Pricing**** (Net Initial Yield, rack rented) | Distribution 5.25% | London (City) 5.75% | Warehouse 5.50% | Student 5.00% |
| | Multi-let 5.00% | Regions 6.50% | High Street 6.75% | Leisure 8.00% |
| **Allocation** | Favour multi-let and mid-box logistics. Neutral big-box distribution | Highly selective: favour urban centres with good amenity and accessibility | Favour out-of-town warehouses / parks with repositioning potential | Favour, strategic land, 'meds' and residential including student housing |

£ **Finance***:**
5-year Gilt: 4.3%
5-year Swap: 4.0%

% **Real estate*:**
NIY: 5.3%
EQV: 7.1%

**Spread:** 2.8%
(5-year Gilt to EQV)

Source: *MSCI UK Monthly Property Index (Alternatives data is unweighted average Hotels, Residential, Other), as at 31 Match 2025. **CBRE Prime Yields and trends, March 2025.Trends against average of prior 6-months (+/-0.25% denotes stable). *** JLL, as at 31 March 2025.

# Fund Overview – Q1 2025

**Material Changes**

- There have been no material changes to the management of the fund this quarter.

**Liquidity**

- The fund continues to maintain a robust liquidity position with gross cash of £81m equivalent to 8.0% of NAV (8.0% net debt on AREF methodology).
- 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 2024, the Fund made no sales in Q1 25 as the investment focus pivots to recycling capital into selective buying opportunities.
- The Fund completed its acquisition of the UK Property Fund via a Scheme of Arrangement (further details as per the separate page in this report) which comprised a 16 asset diversified portfolio. The transaction NAV of £125.9M reflects a 6.8% discount to prior NAV (being the average of 3 independent valuations, less costs).
- Asset management activity included the Fund completing an open market rent review at Aspect One, Stevenage which increased the rent by 59% to £584,103p.a., reflecting a rent of £14.50psf and exceeding the valuation ERV.
- The Fund completed the letting of the 4th Floor Rear unit at Warwick House, London SW1, which comprises a fully-fitted 2,175 sq ft office suite, which was comprehensively refurbished by the Fund to a CAT B specification, achieving an EPC B rating. The letting to Lagardere Travel Retail (UK) Ltd produced a rent of £178,350p.a. which reflects £82psf, achieving a c.10% headline premium to the prevailing ERV.
- The Fund completed a rent review on the KFC drive-through unit at Heybarnes Retail Park, Birmingham, reflecting a rent of £97,600p.a. (£37psf), generating an additional £18,460p.a. from the previous rent. The agreed rent represented a c.14% increase on the prevailing ERV at the review date.
- Rent collection for the forthcoming quarter stands at 96.7% (as at Day 21).

**Key Performance Indicators**

- **Financial:** Fund performance continued its positive trajectory in Q1 2025, delivering a total return of 1.7% for the quarter, outperforming its benchmark by 0.2%. Medium and long-term performance continues to be ahead of benchmark, with the annualised total return of 8.7% being +2.1% over benchmark. The Fund's total returns continue to be supported by a high relative distribution yield of 4.5%, c.18% above the benchmark level of 3.8%, as of 31 March 2025.
- **Environmental:** The Fund completed 13 works projects over the 12 months ending 31 March 2025, with 100% by value delivering EPC A/B. The Fund's refurbishments of Network House, Leeds (installation of solar following earlier unit refurbishment) and Unit H at Selby both incorporating a high coverage of PV panels, delivered EPC A+ ratings.
- **Social:** The Fund is exploring enhanced means of reporting social value generation beyond the TOMS framework. Further details to follow.

**Attribution**

- Over the 12 months ending 31 March 2025, the Fund's directly held property assets generated relative total returns of +3.6% against the broader property market. This was achieved through a positive relative income return of +1.1% and capital value growth of +2.5%. The Fund's retail assets continued to outperform the wider market, generating a +3.9% relative total return. Outperformance was also delivered in the office and alternative ( other ) sectors relative to market, producing relative total returns of +5.1% and +2.8% respectively. The Fund's industrial portfolio returned to relative outperformance (+2.3%). (Source: MSCI, TPUT directly held assets compared to the MSCI UK Monthly Property index).

**Outlook**

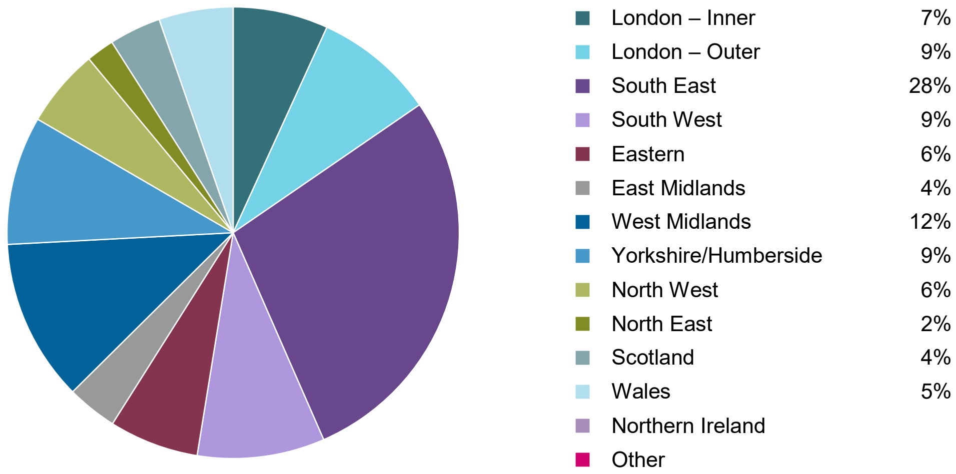
- With capital values stabilising following 11 consecutive months of positive capital growth (MSCI monthly) since April 2024, UK Real Estate is well placed for a cyclical capital recovery, taking advantage of an improved macro-economic outlook, in terms of inflation lowering towards target and the subsequent interest rate cuts; 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 5.0% 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.

Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and AREF UK Quarterly 'All Balanced Open-Ended' Property Fund Index, 31 March 2025

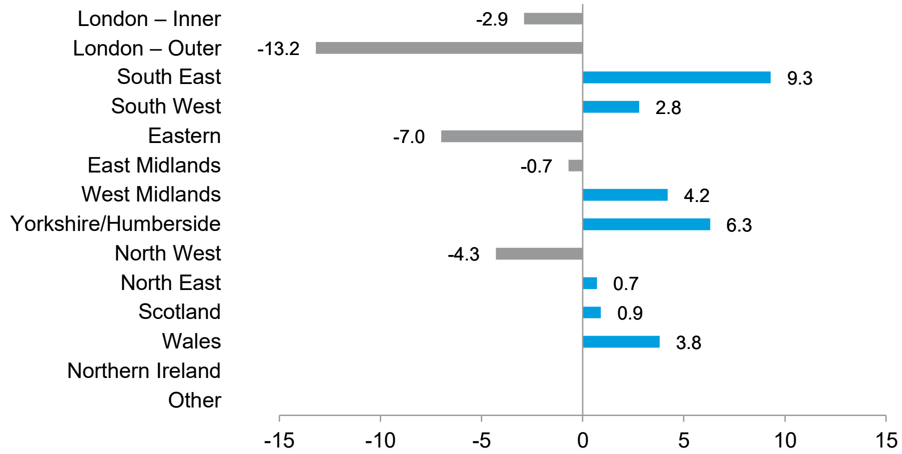
COLUMBIA THREADNEEDLE ALTERNATIVES

# Property portfolio sector and geographical positioning

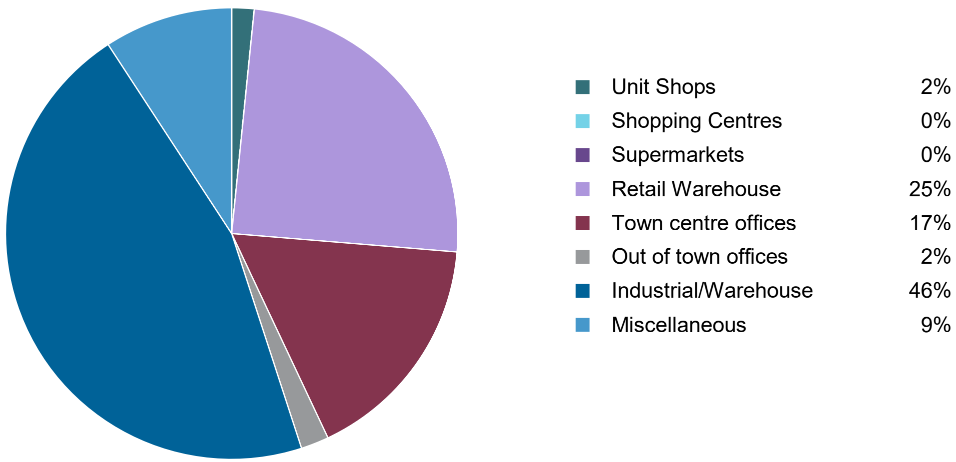
## Property portfolio weighting – geographical split



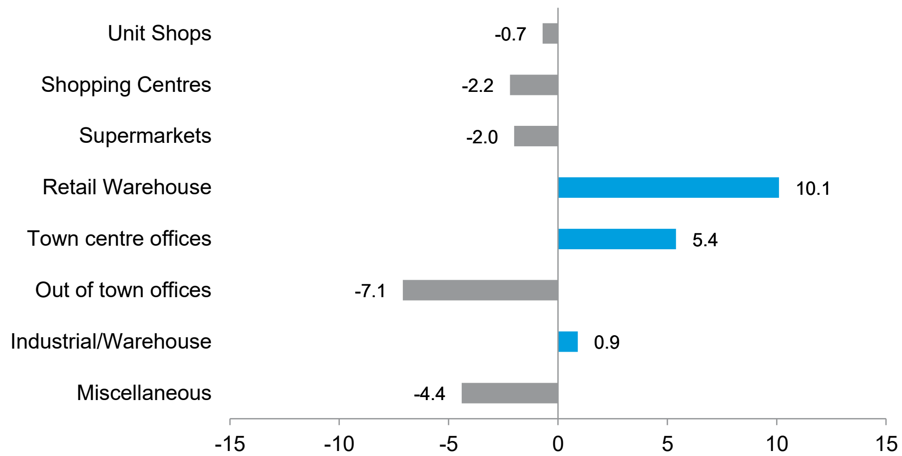

## Relative portfolio weighting (%) versus MSCI Monthly Index




## Property portfolio weighting – sector distribution




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

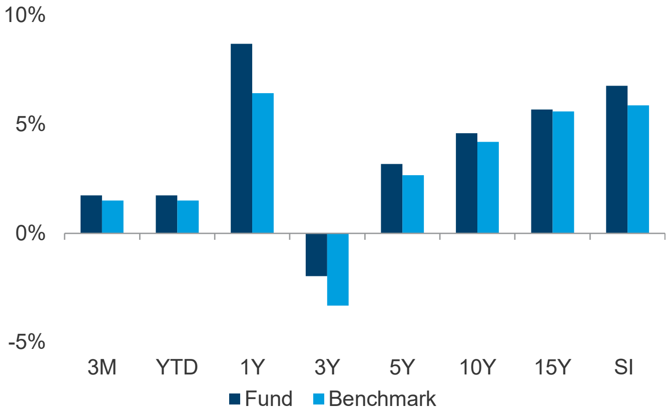



Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 March 2025

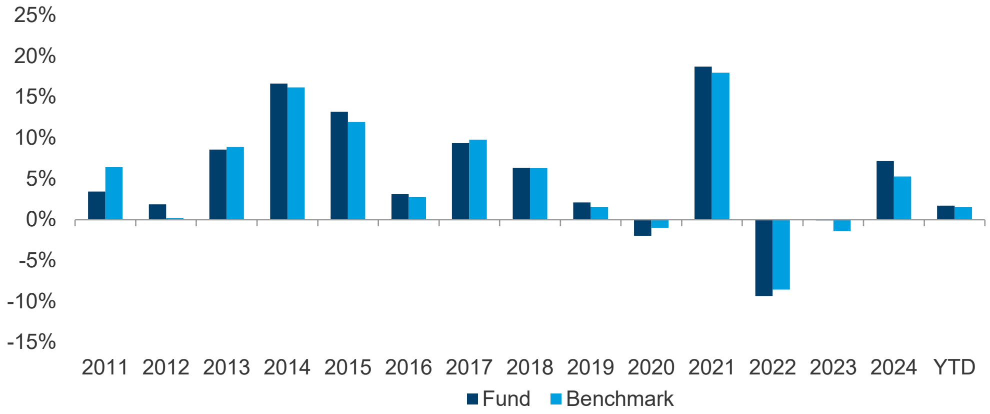
# Fund Performance

## Long Term Performance

### Discrete periods[1]




### Calendar Years




### Fund Performance

### Annualised Performance

| | 3M % | YTD % | 1Y % | 3Y % | 5Y % | 10Y % | 15Y % | SI* % |
|---|---|---|---|---|---|---|---|---|
| Fund | 1.7 | 1.7 | 8.7 | -2.0 | 3.2 | 4.6 | 5.7 | 6.8 |
| Benchmark | 1.5 | 1.5 | 6.4 | -3.3 | 2.7 | 4.2 | 5.6 | 5.9 |
| Relative | 0.2 | 0.2 | 2.1 | 1.4 | 0.5 | 0.4 | 0.1 | 0.8 |

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) |
|---|---|---|---|
| **Croydon** | Commerce Way | Industrial / Warehouse | 25-50 |
| **Trowbridge** | Spitfire Retail Park | Retail Warehouse | 25-50 |
| **London W1** | 46 Foley Street | Town Centre Offices | 10-25 |
| **Selby** | Three Lakes Retail Park | Retail Warehouse | 10-25 |
| **Hampton** | Kempton Gate | Industrial / Warehouse | 10-25 |
| **Cardiff** | Newport Road | Retail Warehouse | 10-25 |
| **High Wycombe** | Stirling Road | Industrial / Warehouse | 10-25 |
| **York** | Foss Islands Retail Park | Retail Warehouse | 10-25 |
| **Rugby** | Swift Point | Industrial / Warehouse | 10-25 |
| **Coventry** | Skydome | Miscellaneous | 10-25 |

### Tenants

| | % of rents passing |
|---|---|
| **B&M European Value Retail S.A.** | 3.1% |
| **Tesco Plc** | 3.1% |
| **Currys Plc** | 2.4% |
| **Norton Group Holdings Limited** | 2.4% |
| **Wickes Group Plc** | 2.3% |
| **Somnigroup International Inc.** | 1.8% |
| **Pets at Home Holdings Limited** | 1.8% |
| **Amc Entertainment Holdings Inc** | 1.7% |
| **Envy Post Production Limited** | 1.6% |
| **GSHW Limited** | 1.6% |

Source: Columbia Threadneedle Investments, 31 March 2025

# Investment Activity – Key Purchases and Sales Over Q1 2025

| Property | Quarter | Sector | Price (£m) | Net Initial Yield |
|---|---|---|---|---|
| **Purchases** | | | | |
| Hammersmith, King Street | Q1 2025 | Miscellaneous | 5-10 | |
| Sheffield, Berkeley Centre | Q1 2025 | Retail Warehouse | 5-10 | |
| Cardiff, Dunleavy Drive | Q1 2025 | Retail Warehouse | 2.5-5 | |
| York, Foss Island | Q1 2025 | Retail Warehouse | 5-10 | |
| Brighton, Frederick Place | Q1 2025 | Town Centre Office | 2.5-5 | |
| Guildford, Stoke House | Q1 2025 | Town Centre Office | 5-10 | |
| London, Southwark Bridge Road | Q1 2025 | Town Centre Office | 5-10 | |
| London, Blades Court, Putney | Q1 2025 | Out of Town Office | 0-2.5 | |
| Woking, Genesis Business Park | Q1 2025 | Out of Town Office | 10-25 | |
| Eastleigh, Parham Drive | Q1 2025 | Industrial/Warehouse | 5-10 | |
| Harlow, Calder House | Q1 2025 | Industrial/Warehouse | 10-25 | |
| Livingston, Napier Square | Q1 2025 | Industrial/Warehouse | 2.5-5 | |
| Mitcham, Willow Lane | Q1 2025 | Industrial/Warehouse | 10-25 | |
| Portsmouth, Solent 27 | Q1 2025 | Industrial/Warehouse | 5-10 | |
| Romford, King George Close | Q1 2025 | Industrial/Warehouse | 5-10 | |
| Warrington, Chesford Grange | Q1 2025 | Industrial/Warehouse | 10-25 | |
| | | | | |
| **Sales** | | | | |
| None | | | | |

Source: Columbia Threadneedle Investments, 31 March 2025

# Asset Management Highlights
## Completed letting and lease renewals

**46 Foley Street, London: 20,200 sq. ft. office**

- 10-year lease renewal on 7,000 sq. ft. reflecting **+29%** rent uplift
- Rent review on 13,200 sq. ft. reflecting **+11%** rent uplift (£81 psf)

**One Abbey View, St. Albans: 19,300 sq. ft. office**

- Two deals completed on refurbished first and second floors: new 10-year leases at £42.50 psf and £40.50 psf (**+42%** on prior rent)

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

- Lease renewal agreed for a 5-year term at £20.85 psf, reflecting a **+44%** rental uplift

**Warwick House, London: 21,800 sq. ft. office**

- New 5-year lease on newly refurbished and fully-fitted 3rd floor suite at £82 psf reflecting a **+32%** premium to ERV
- 10-year lease renewal on 1st floor / new letting of 4th floor

**Outcomes**

| | |
|---|---|
| Financial | Combined rent secured = £1.55 million p.a. Rental uplifts between 11% and 44% have generated significant like-for-like capital value uplifts over the period |
| Environmental | Regears provide opportunity for tenant engagement to encourage green practices and data sharing. Refurbishment works at Selby and Commerce Park, Croydon improve energy efficiencies |
| Social | Maintaining and increasing building occupancy creates and preserves local jobs |

Source: Columbia Threadneedle Investments, as at 31 March 2025. *Headline rent achieved is on expiry of tenant incentive periods

# Asset Management Highlights

## Comprehensive refurbishment works

### High Wycombe: 31,000 sq. ft.

Comprehensive refurbishment included enhanced coverage of solar ‘PV’ panels – net total cost £1.625M

- Revised EPC ‘A+’ rated
- New letting at £489,431 p.a.* (£15.95 per sq. ft.) **81%** increase on prior rent
- Tenant committed to purchase green energy delivered direct to site, anticipated to deliver additional revenues of c£23,000 p.a.
- Overall yield on cost **9.8%****
- Overall profit on cost **38%****

### Leeds: 68,500 sq. ft.

- Comprehensive refurbishment included enhanced coverage of solar ‘PV’ panels – net total project cost £2.37M
- Revised EPC ‘A+’ rated
- Unit under offer at £520,000 p.a. (£7.60 per sq. ft.) **+54%** increase on prior rent
- Power upgrade and widening of planning consent ongoing
- Anticipated valuation uplift on letting completion


### Hoddesdon: 49,000 sq. ft.

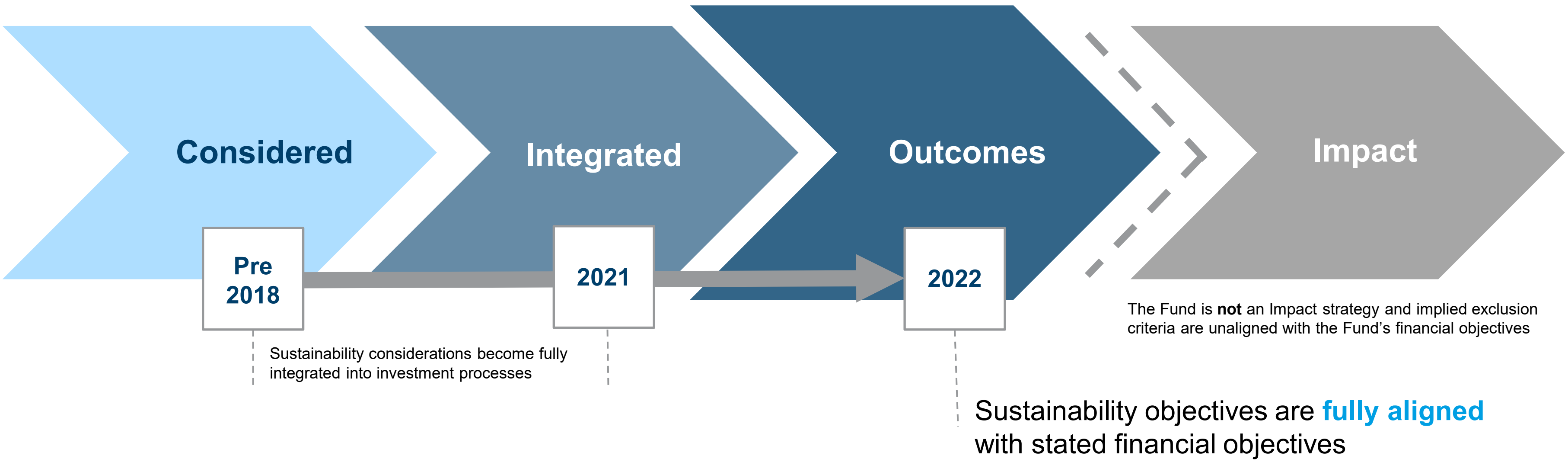
- Prior tenant in liquidation
- Currently on-site undertaking comprehensive refurbishment including enhanced coverage of solar ‘PV’ panels – PC anticipated Q2 2025
- Net total cost c£1.1M
- Anticipated EPC ‘A+’ rating (TBC)
- ERV anticipated to increase **+50%** on prior passing rent (to £12.75 psf)
- Anticipated valuation uplift on letting completion

Source: Columbia Threadneedle Investments, as at 31 March 2025. *Headline rent achieved is on expiry of tenant incentive periods. ****based on valuation following lease completion**

# 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 31 December 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

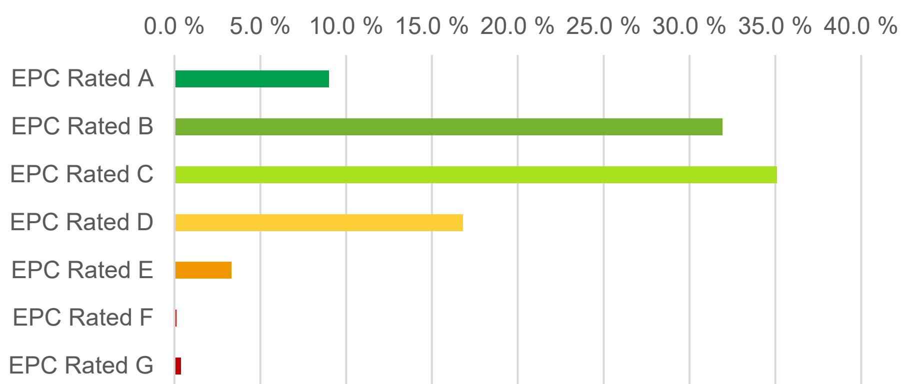
## Sustainability Dashboard – key performance indicators

### Property infrastructure: EPCs
***Target EPC 'B' by 2030***

**Key performance metrics**

| | |
|---|---|
| Portfolio coverage (whole portfolio, % ERV) | 97.6% |
| Works projects completed (past 12 months) | 15 |
| Refurbishments delivering 'B' or better | 100% |

EPC distribution by ERV

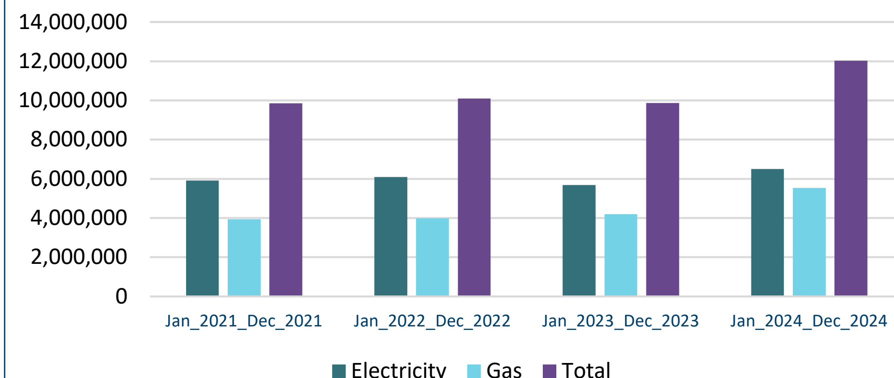



### Property performance: Energy use
***Target 20% reduction by 2030****

**Key performance metrics**

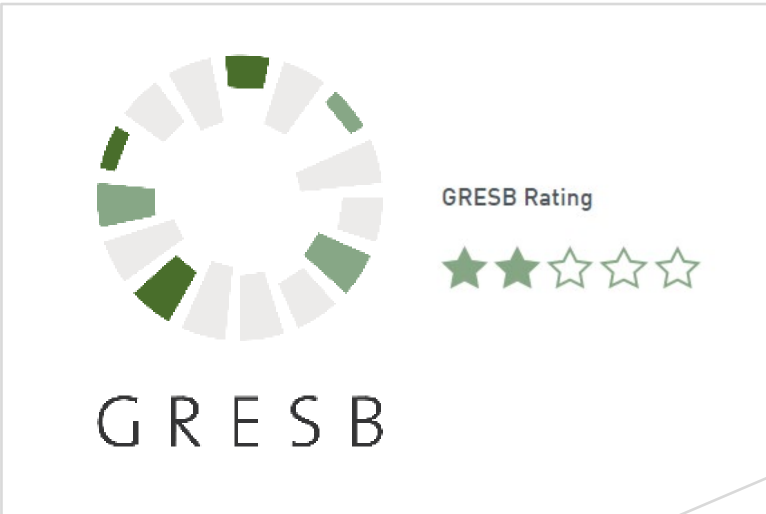
| | |
|---|---|
| Portfolio coverage (LL managed portfolio, % floor area) | 100% |
| Energy consumption change L-f-L Y-on-Y | 22% |
| Energy consumption change vs baseline* | 12% |

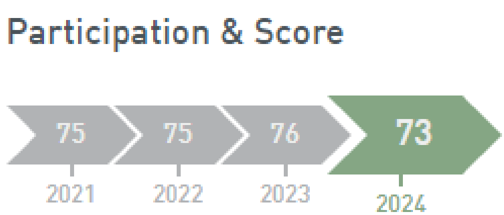
Landlord Portfolio Like-for-Like Energy Consumption




Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 31 December 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 31 December 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 update
## 2024 GRESB results




### Global Real Estate Sustainability Benchmark (‘GRESB’)

#### Key takeaways

- Thirteenth year of the Fund’s submission to GRESB
- Scored 73 out of 100, -3 on 2023 (Peer Average = 75)
- Ranked 59th within its peer group of 90 funds
- Benchmark reweighted again for 2024
- Relative positioning decline reflects management approach (small lot size, active asset management) versus some peers who own larger ‘trophy’ assets

#### Strengths

- Management (scored 30/30)
- Energy (+6%) and GHG (+9%) data coverage both improved in absolute terms, but by less than the benchmark

#### Areas of improvement

- Relative data coverage scores adversely impacted by disproportionate office sales (especially water/waste)
- Building certification (minor improvement on 2023)

Source: Columbia Threadneedle Investments, as at 31 December 2024. 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

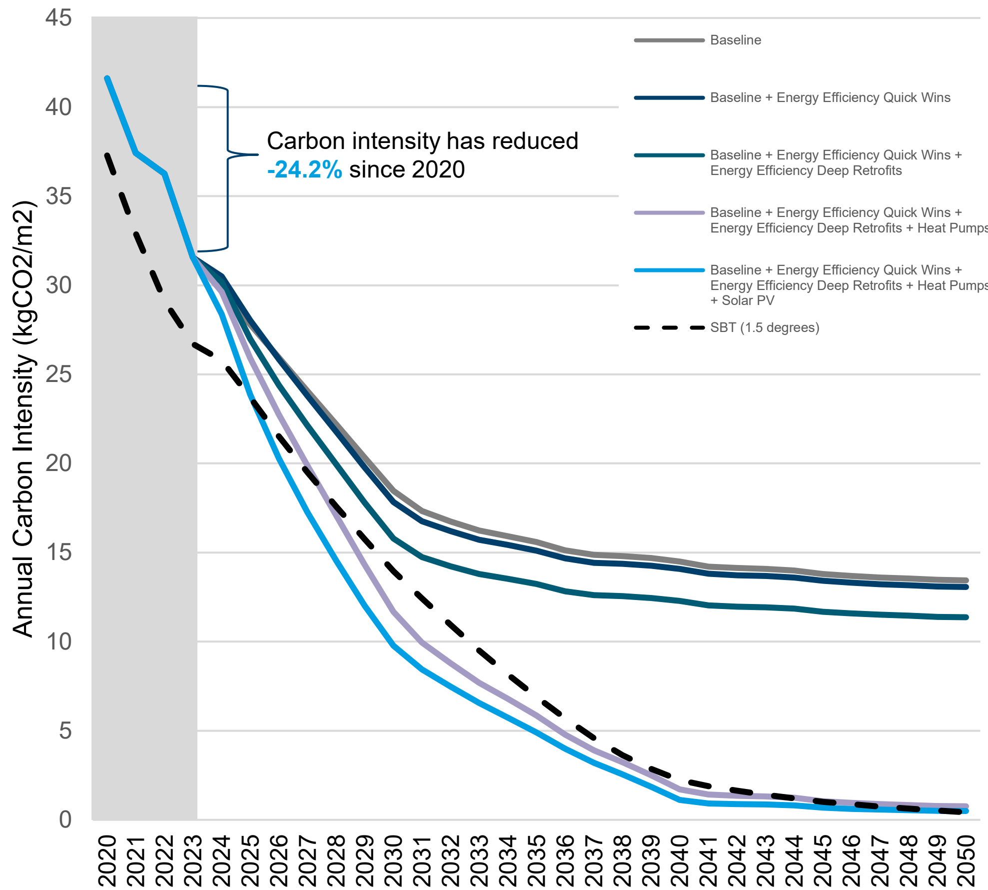
## Updated pathway to operational Net Zero by 2040

### 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% |
| **Cumulative cost & saving impact** | | **c£56.8m** | **62%** |
| Offsetting | 2040 | c£0.2m p.a. | Residual |

- Carbon intensity reduced **-24.2%** from 41.6 to 31.6 kgCO2/m2 based on 2023 modelled data against 2020 baseline
- Carbon emissions modelled to reduce from 15,482 tCO2 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.

# TPUT environmental data

## 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 | 2024 | Q1 2025 |
| **Property assets** | 218 | 199 | 168 | 145 | 105 | 92 | 108 |
| **Rateable units** | 955 | 906 | 775 | 681 | 497 | 413 | 494 |
| **EPC coverage** | 69.1% | 93.6% | 98.8% | 99.3% | 99.0% | 99.8 % | 97.6% |
| **EPC rated A** | 0.3% | 0.4% | 0.6% | 1.8% | 3.6% | 6.6% | 9.0% |
| **EPC rated B** | 9.9% | 13.2% | 16.9% | 21.7% | 27.8% | 31.1 % | 31.9% |
| **EPC rated C** | 32.8% | 38.6% | 39.5% | 38.5% | 39.2% | 37.4 % | 35.1% |
| **EPC rated D** | 37.2% | 32.4% | 29.9% | 28.0% | 21.7% | 20.4 % | 16.8% |
| **EPC rated E** | 15.4% | 13.3% | 11.0% | 7.6% | 5.8% | 4.1 % | 3.3% |
| **EPC rated F** | 1.8% | 0.9% | 0.4% | 0.4% | 0.2%* | 0.0 % | 0.1%* |
| **EPC rated G** | 2.7% | 1.2% | 0.5% | 0.6% | 0.6%* | 0.5 % | 0.4%* |

Source: Columbia Threadneedle Investments, based on % rateable units, updated as at 31 March 2025. 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

# TPUT environmental data

## Portfolio annual energy consumption

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

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| **Property assets** | 242 | 218 | 198 | 168 | 144 | 105 |
| **Landlord managed assets (S/C)** | 98 | 92 | 90 | 84 | 73 | 59 |
| **Data coverage: landlord-managed assets (gross floor area)** | 84% | 79% | 77% | 83.6% | 91.7% | 95.5% |
| **Total Landlord-Managed portfolio energy consumption – absolute** | *Not measured explicitly prior to 2021* | | | 20,555,492 kWh | 24,813,947 kWh | 27,517,093 kWh |
| **Tenant managed assets (FRI)** | 144 | 126 | 108 | 84 | 71 | 46 |
| **Data coverage: tenant-managed assets (gross floor area)** | 20.5% | 23.0% | 29.0% | 62.6% | 77.7% | 75.3% |
| **Total Tenant-Managed portfolio energy consumption – absolute** | *Not measured explicitly prior to 2021* | | | 19,841,073 kWh | 20,507,706 kWh | 12,159,099 kWh |
| **Data coverage: whole portfolio (gross floor area)** | 53.4% | 55.7% | 61.7% | 78.4% | 85.8% | 88.7% |
| **Total portfolio energy consumption – absolute** | 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%) |
| **Total portfolio electricity consumption – absolute** | 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%) |
| **Total portfolio gas consumption – absolute** | 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

# TPUT environmental data

## Portfolio greenhouse gas emissions

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

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| **Property assets** | 242 | 218 | 198 | 168 | 144 | 105 |
| **Landlord managed assets (S/C)** | 98 | 92 | 90 | 84 | 73 | 59 |
| **Data coverage: landlord-managed assets (gross floor area)** | 84% | 79% | 77% | 83.6% | 91.7% | 95.5% |
| **Tenant managed assets (FRI)** | 144 | 126 | 108 | 84 | 71 | 46 |
| **Data coverage: tenant-managed assets (gross floor area)** | 17% | 17.6% | 29.0% | 62.6% | 77.7% | 75.3% |
| **Data coverage: whole portfolio (gross floor area)** | 48.8% | 50.0% | 61.7% | 78.4% | 85.8% | 88.7% |
| **GHG emissions – absolute (year on year % difference)** | 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 2024 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

# TPUT environmental data

## Portfolio water and waste consumption

**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 |
|---|---|---|---|---|---|---|---|
| **Property assets** | | 242 | 218 | 198 | 168 | 144 | 105 |
| **Landlord managed assets (S/C)** | | 98 | 92 | 90 | 84 | 73 | 59 |
| **Data coverage: landlord-managed assets (gross floor area)** | Water | 39% | 39% | 31% | 30.1% | 38.2% | 45.3% |
| | Waste | 14% | 27% | 27% | 22.9% | 21.5% | 31.6% |
| **Tenant managed assets (FRI)** | | 144 | 126 | 108 | 84 | 71 | 46 |
| **Data coverage: tenant-managed assets (gross floor area)** | Water | 0 | 8.0% | 8.7% | 39.2% | 53.0% | 53.7% |
| | Waste | 0 | 13.2% | 14.07% | 32.3% | 52.1% | 37.2% |
| **Data coverage: whole portfolio (gross floor area)** | 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% |
| **Total water consumption – absolute** | | 130,373 $m^3$ | 279,902 $m^3$ | 271,535 $m^3$ | 79,332 m3 | 92,766 $m^3$ | 31,081$m^3$ |
| **Total waste consumption – absolute** | | 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

# TPUT environmental data
## 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 | 2024 |
|---|---|---|---|---|---|---|
| **Property assets** | 206 | 199 | 168 | 145 | 104 | 91 |
| **Low** | 164 (74.9%) | 158 (75.1%) | 135 (74.5%) | 115 (74.2%) | 82 (77.6%) | 70 (75.0%) |
| **Medium** | 33 (21.6%) | 32 (21.3%) | 27 (22.3%) | 24 (22.1%) | 18 (19.3%) | 19 (23.0%) |
| **High** | 5 (2.2%) | 5 (2.1%) | 3 (1.7%) | 5 (3.1%) | 3 (2.7%) | 2 (2.1%) |
| **Extreme** | 4 (1.4%) | 4 (1.5%) | 3 (1.5%) | 1 (0.6%) | 1 (0.5%) | 0 (0.0%) |

| Extreme risk assets | High risk assets |
|---|---|
| | Redhill, Red Central |
| | London E10, Lea Bridge Road |

Source: Columbia Threadneedle Investments, as at 31 December 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) – March 2025

The key areas of risk impacting this fund as at the end of March 2025 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: **8.0%** |
| **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-March 2025: **16.8%**[1] |
| **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: **3.15% 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: **4.2%** |
| **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: **13.1%**[2] |
| **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: **7.3%** |
| **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 March 2025: **96.9% collected at day 21**. |
| **Counterparty** | Low - Minimal Counterparty Exposure | No Maximum restriction within scheme. | Deposits with single bank at end of quarter: **7.6% 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** |

[1]**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. [2]**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.

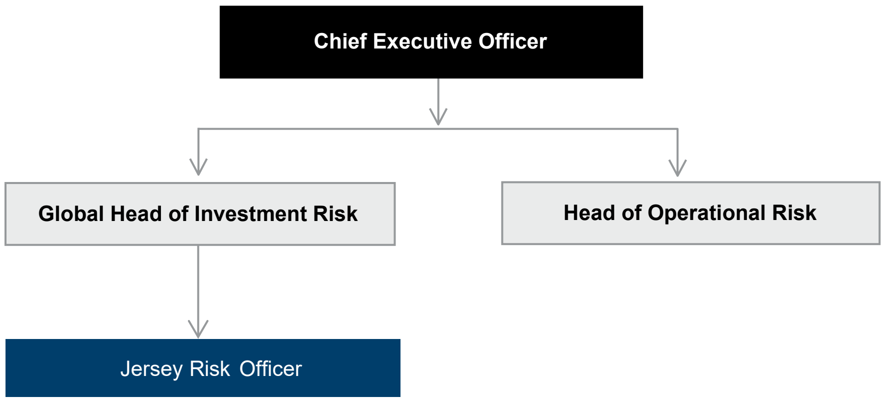
# The Columbia Threadneedle Risk Management System

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 Global Head of Investment Risk, reporting to the Chief Executive Officer.

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 Chief Executive Officer 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**

**March 2025**

# 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 proceeding 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.

This document should not be circulated to private investors.

This document does not constitute or form any part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any units nor shall it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefore. Recipients of this document who intend to apply for units are reminded that any such application may be made solely on the basis of the information and opinions contained in the prospectus and seek independent taxation advice. This material should not be considered as an offer, solicitation, advice or an investment recommendation. This communication is valid at the date of publication and may be subject to change without notice. Information from external sources is considered reliable but there is no guarantee as to its accuracy or completeness.

The information of the Threadneedle Property Unit Trust is issued by Threadneedle Investments (Channel Islands) Limited, Registered No. 82489. Registered in Jersey, Registered Office: IFC 1, The Esplanade, St Helier, Jersey, JE1 4BP, Regulated by the Jersey Financial Services Commission.

In the UK issued by Threadneedle Asset Management Limited. Registered in England and Wales, Registered No. 573204, Cannon Place, 78 Cannon Street, London EC4N 6AG, United Kingdom. Authorised and regulated in the UK by the Financial Conduct Authority.

Columbia Threadneedle Investments is the global brand name of the Columbia and Threadneedle group of companies.