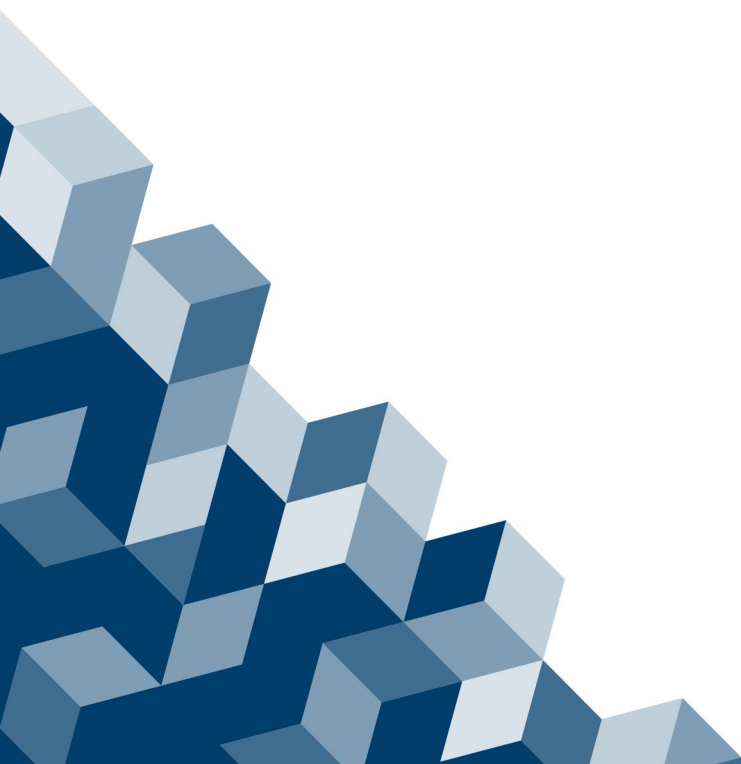


Threadneedle Property Unit Trust

Quarterly Report as at 30 June 2022

Confidential



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Mandate Summary

Contact Information



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Mandate

Threadneedle Property Unit Trust is an unclassified open-ended unit trust originally established in 1967. The Fund 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 1,633 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Bid	331.63
■ Offer	355.66
■ NAV	335.70
■ Jersey domiciled property unit trust.	
■ Income distributed quarterly (can be reinvested)	
■ Prices and deals at month ends.	
■ Bid/offer spread maximum of 7.2%	

Portfolio Highlights



NAV £1.63 billion



165 properties



Average lot size
£9.1 million



712 tenancies



Gross rent roll
£76.6 million p.a.



WAULT 4.6 years
(6.6 years)



Vacancy rate 7.6%
(9.6%)



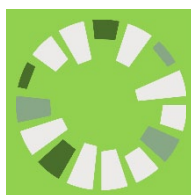
Net Initial Yield 4.8%
(4.1%)



Equivalent Yield 5.8%
(5.1%)



Cash 6.4%
(4.3%)*



GRESB Rating
75/100



Total return 22.6%
(23.3%)*
(12 months)

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 at 30 June 2022

Market Context

Market Commentary

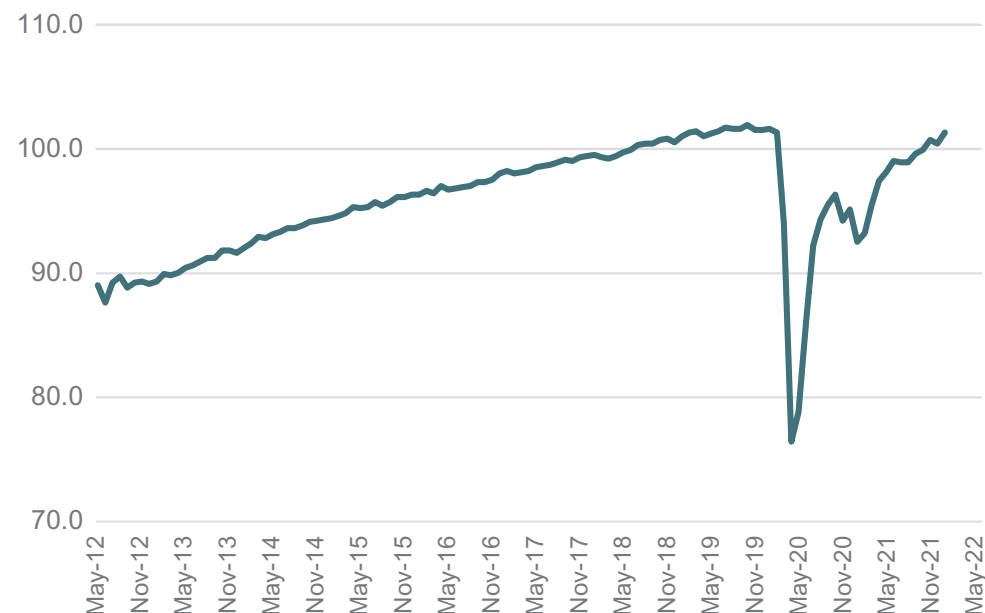
UK Macroeconomy

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

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

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

10-year UK GDP (Indexed)



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

Market Context

Market Commentary (continued)

Investment volumes

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

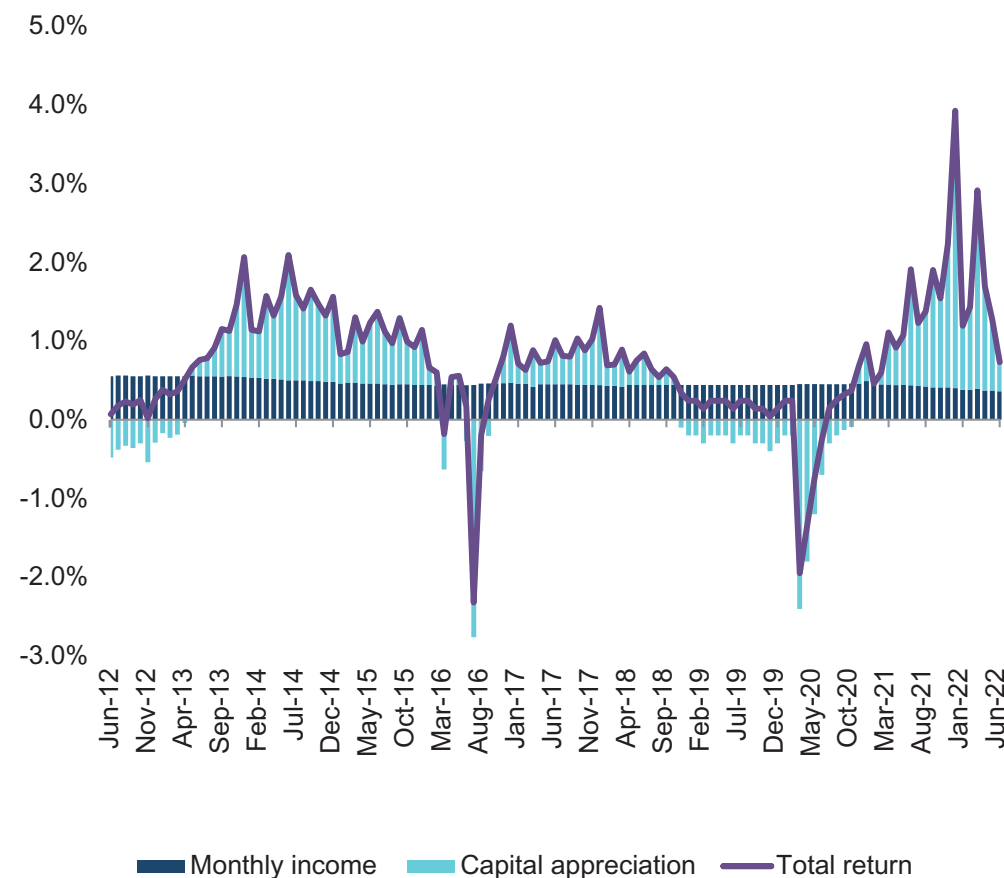
Returns

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

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

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

10-year UK Commercial property total returns (Monthly)



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

Market Commentary (continued)

Occupational trends

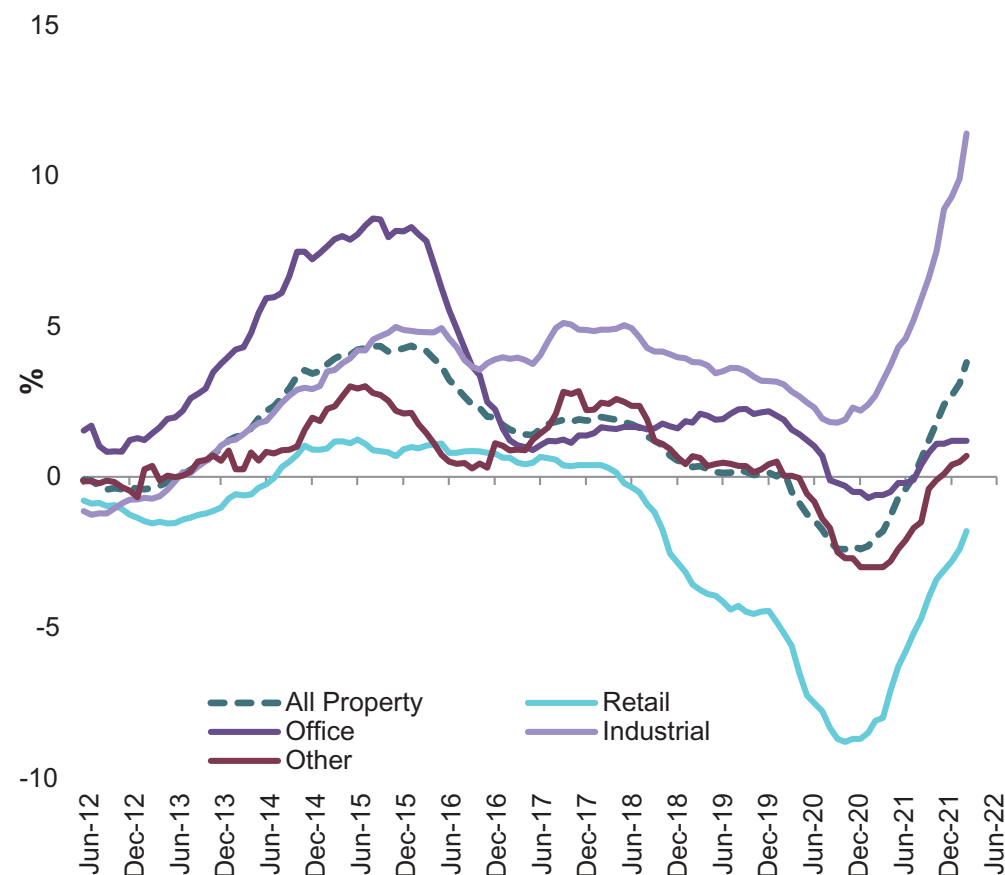
Despite the macroeconomic challenges, core occupier markets have continued to recover following the relaxation of Covid-19 restrictions. The capital growth recorded in the industrial sector occurred in the context of continued strong occupier demand and severely constrained supply, leading to rental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

Outlook

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

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

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



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

Fund Overview – Q2 2022

Material Changes

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

Portfolio Activity

- The Fund has continued to selectively acquire assets that are consistent with its investment approach. The Fund completed one purchase during the quarter – Seagar Retail Park, Cardiff – for a price of £8.7m, which reflects a net initial yield of 6.4% on contractual income. The property adjoins the Fund's existing ownership of Newport Road Retail Park and provides potential to reconfigure the site to unlock surplus land, improve car parking and access and develop EV charging capacity.
- The Fund sold three office assets during the quarter, which delivered total sales of £11.2m. 3 Temple Row West, Birmingham traded at a sale price of £1.8m (3% net initial yield) achieving a 12.5% premium to valuation; Parsonage Square, Dorking was sold for £4.4m, achieving a 3.5% premium to valuation; and Try House, Uxbridge, which sold for £5m, achieving a 6.3% premium to valuation.
- The above sales eliminate the requirement for capital expenditure, which is deemed uneconomic, and demonstrate strong liquidity for smaller lot sizes.

Rent Collection

- The Fund continues to work with its tenants on a case-by-case basis to agree appropriate strategies for rent collection, taking into consideration government legislation, industry guidance and the cashflow position of its occupiers' businesses. As a result of the work undertaken by its asset and property managers, rent collection for the forthcoming quarter stands at 93.6% (as at day 21), which represents a 5.4% increase from the same point of the previous quarter.

Liquidity

- The Fund continues to maintain a robust liquidity position with gross cash of £102.3m, equivalent to 6.3% of net asset value (6.4% on the AREF net debt methodology). We continue to monitor liquidity closely as a means to protect the Fund against any anticipated market volatility and to exploit buying opportunities should they arise.

Performance

- The Fund delivered a total return of 4.9% for Q2, outperforming its benchmark by 1.0%. The annualised total return at the end of June stands at 22.6%, which reflects the attractive characteristics of the Fund with high relative income yields, significant portfolio diversification and the potential to add value through proactive asset management. The Fund's total returns continue to be supported by a high relative distribution yield of 3.6%, 33% above the benchmark level of 2.7% as of 30 June 2022.

Attribution

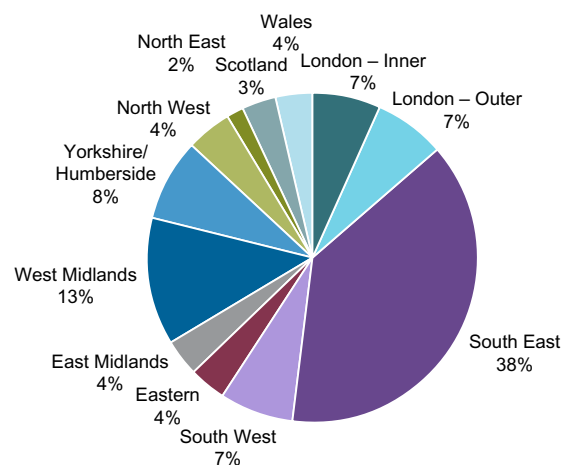
- During the 12 months ending 30 June 2022, the Fund's directly held property assets generated relative total returns of +2.2% against the broader property market (as represented by the MSCI UK Monthly index). This was achieved through a positive relative income return of +0.9% and positive capital value growth of +1.3%. The Fund's retail assets performed better than the wider market by +9.6%, delivering a total return of 33.7%, driven by retail warehouse capital appreciation of 39.6%. Offices, however, underperformed by -2.7% relative to market, producing a total return of 4.8%. The Fund continues to take a proactive approach to the capital expenditure required to retain and enhance the long-term value and ESG objectives of its office portfolio, which is reflected in these figures. The Fund's Industrial assets, while delivering total returns of 38%, marginally underperformed the market by -0.6%. (Source: MSCI, TPUT directly held assets compared to the MSCI UK Monthly Property index – June 2022).

Outlook

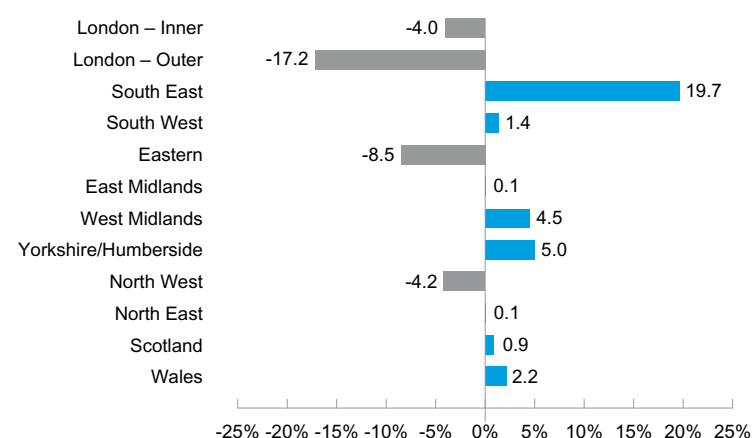
- While pressure on capital values is likely due to ongoing macroeconomic headwinds, UK real estate continues to offer attractive relative performance attributes. We continue to believe that the Fund is well placed to capture long-term sustainable growth prospects through its enduring focus on actively 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 4.8% against 4.2% offered by the MSCI UK Monthly index. The Fund's overweight positions in the supply-tight core markets of regional industrials and retail warehouses should continue to provide a solid foundation for performance over the second half of 2022.

Property Portfolio Sector and Geographical Positioning

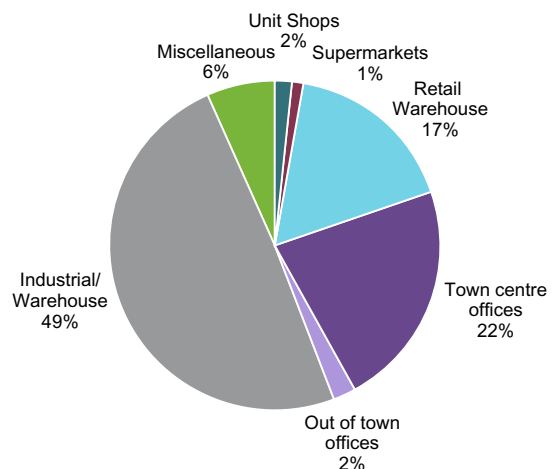
Property portfolio weighting – geographical split



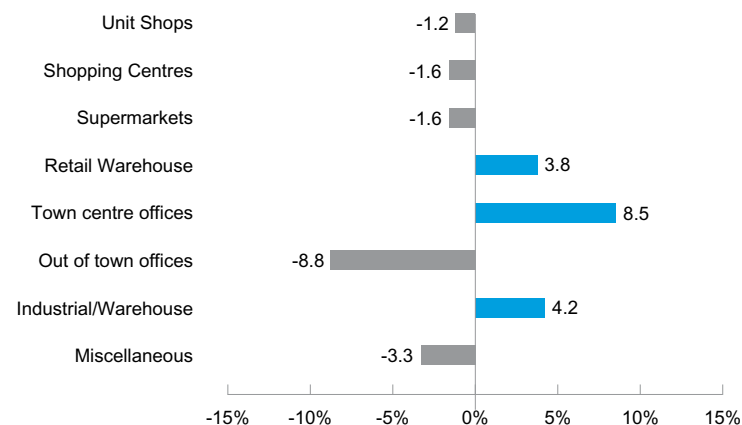
Relative portfolio weighting (%) versus MSCI Monthly Index



Property portfolio weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

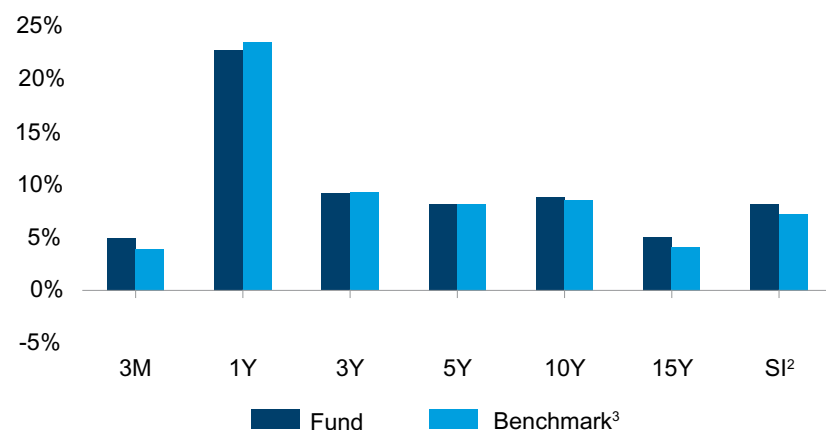


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 30 June 2022

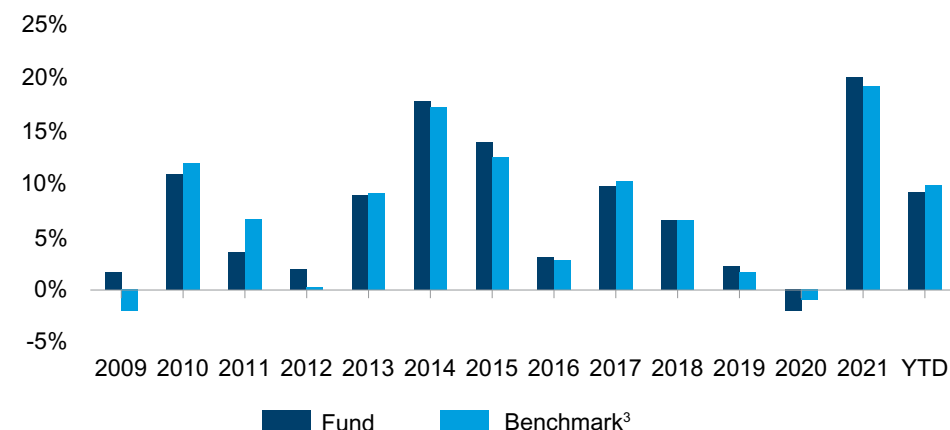
Fund Performance

Long Term Performance

Discrete periods¹



Calendar Years



Fund Performance

Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	4.9	9.2	22.6	9.1	8.1	8.8	5.0	8.1
Benchmark**	3.9	9.8	23.3	9.2	8.1	8.5	4.1	7.2
Relative (Arithmetic)	1.0	-0.6	-0.6	-0.1	0.0	0.3	0.8	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 Direct Holdings and Tenants

Property

Location	Name	Sector	Lot size (£m)
Croydon	19 Commerce Way	Industrial / Warehouse	50-100
Trowbridge	Trowbridge & Spitfire Retail Park	Retail Warehouse	25-50
London W1	46 Foley Street	Town Centre Offices	25-50
Hampton	Kempton Gate	Industrial / Warehouse	25-50
York	Foss Islands Retail Park	Retail Warehouse	10-25
Rugby	Swift Point	Industrial / Warehouse	10-25
Cardiff	Newport Road	Retail Warehouse	10-25
Wokingham	Ashville Park	Industrial / Warehouse	10-25
St Albans	Abbey View	Town Centre Offices	10-25
High Wycombe	Stirling Road	Industrial / Warehouse	10-25

Tenant

	% of rents passing
EV Retail Limited	3.4
Tesco PLC	2.3
Travis Perkins PLC	1.9
Currys PLC	1.9
Norton Group Holdings Limited	1.5
AMC UK Holding Limited	1.4
Tempur Sealy International Inc.	1.4
ACI Worldwide (EMEA) Limited	1.3
Meditor Holdings Limited	1.3
Envy Post Production Limited	1.2

Source: Columbia Threadneedle Investments as at 30 June 2022

Investment Activity – Key Purchases and Sales Over Q2 2022

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
Seagar Retail Park, Newport Road, Cardiff	Q2 2022	Retail Warehouse	5-10	6.0
Sales				
3 Temple Row West, Birmingham	Q2 2022	Town Centre Offices	0-2.5	3.0
Parsonage Square, Dorking	Q2 2022	Town Centre Offices	2.5-5	7.3
Try House, Uxbridge	Q2 2022	Out of Town Offices	2.5-5	N/A

Source: Columbia Threadneedle Investments as at 30 June 2022

Figures reflect headline prices and topped up rents where rental top ups provided by vendor.

UK Real Estate: Responsible Investment

Key principles



“The real estate industry has a critical role to play in mitigating climate change. We must work collectively to ensure our buildings evolve to deliver against Net Zero targets. Investing in this commitment now will create long-term value for all our stakeholders.”

Joseph Vullo, Head of UK Real Estate

“We strive to be responsible stewards of our clients assets”



We manage assets in accordance with longstanding ESG principles, enshrined within our UK Real Estate ESG Policy Statement and Refurbishment Guide

“It’s everyone’s responsibility”



ESG principles and performance metrics are embedded within our investment, asset management, refurbishment and property management processes

“Investing responsibly is complimentary to our funds’ financial objectives”









Our active management bias provides the best potential to deliver positive environmental and social outcomes alongside financial performance

Source: Columbia Threadneedle Investments, as at 31 March 2022.

Sustainability risks are integrated into the fund’s investment decisions making process for financial Risk Management purposes only. The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in its prospectus.

Responsible Investment: key business initiatives

Delivering positive outcomes

 Policy Statement	 Governance	 Environmental	 Net Zero	 Social	 Reporting
<ul style="list-style-type: none"> ■ ESG Working Group set up in 2018 to draw together existing workstreams and formalise existing longstanding working practices ■ ESG Policy Statement and Refurbishment Guide enshrined 2019 ■ ESG incorporated within Managing Agent KPIs since 2021 ■ Personal ESG Goals introduced from 2021 	<ul style="list-style-type: none"> ■ UKRE business benefits from established robust UK and offshore governance framework ■ Internally and externally audited ■ Latest ISAE report released January 2022 ■ ESG governance and oversight framework improved 2021 by introduction of ESG Steering Group 	<ul style="list-style-type: none"> ■ GRESB participation since 2011 (TPUT) ■ SDGs provide framework to independently monitor environmental performance ■ On-going engagement with largest tenants to improve FRI data sharing ■ Physical Risk Screening Assessments completed in November 2021, complementing prior workstreams 	<ul style="list-style-type: none"> ■ UKRE Net Zero Pathway published August 2021 ■ Fund Net Zero pathways published October 2021 ■ Fund Net Zero sensitivity analysis completed Q1 22 ■ Asset level Net Zero Carbon audits and Sustainability reports to be completed through 2022 ■ Fund targets to be set during 2022 	<ul style="list-style-type: none"> ■ Annual tenant engagement surveys ■ Social Value Framework embedded within Refurbishment Guide and being trialled on largest service charges ■ Community Spaces trial in vacant property ■ Active Management provides ad-hoc engagement opportunities ■ Wider social engagement via the Columbia Threadneedle Foundation 	<ul style="list-style-type: none"> ■ ESG introduced into standard reporting from 2017 ■ Responsible Investment Paper in 2019 updated investors on our approach and commitments ■ Reporting suite has evolved over time taking into account prevailing regulations, including: <ul style="list-style-type: none"> ■ SECR* ■ SFDR* ■ TCFD*

Source: Columbia Threadneedle Investments, as at 31 March 2022. *Note, not all regulations are applicable to all UK Real Estate strategies. Material is illustrative only. Sustainability risks are integrated into the fund's investment 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: portfolio monitoring

Sustainability Dashboard – quarterly performance metrics

Property infrastructure: EPCs

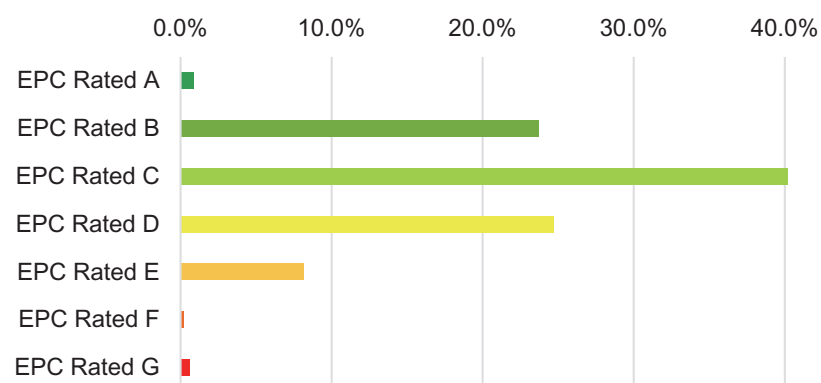
Target EPC 'B' by 2030



Key performance metrics

Portfolio coverage (whole portfolio)	98.5%
Works projects completed (past 12 months)	16
Refurbishments delivered 'B' or better	76.3%

Property Portfolio EPC Ratings by ERV



Property performance: Energy use

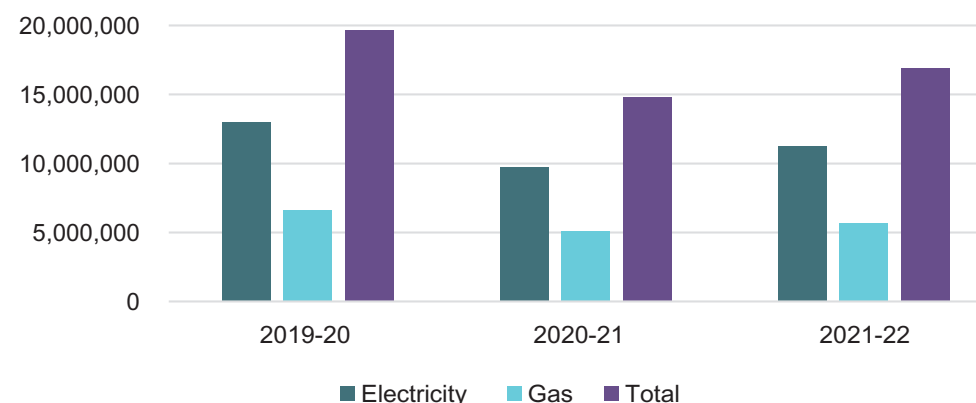
*Target 20% reduction by 2030**



Key performance metrics

Portfolio coverage (LL managed portfolio)	83.6%
Energy consumption change L-f-L Y-on-Y	+14.3%
Energy consumption change vs baseline*	-12.7%

Landlord portfolio like-for-like Energy Consumption (12-months to quarter end)



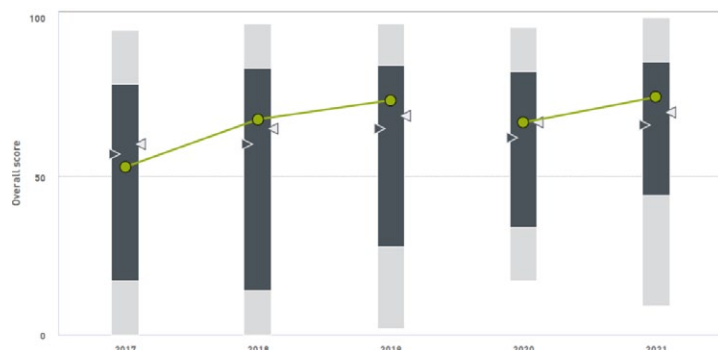
Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at July 2022. Refurbishments delivering EPC B or better expressed as % contract value excluding works which have no impact on EPC (e.g. redecoration). Energy data as at 31 March 2022. Portfolio coverage as % floor area. *Energy target and consumption change vs baseline expressed against 12 months to 31 December 2019 baseline, based on assets where the fund has operational control (the 'landlord managed portfolio'). Targets are indicative and are in no way a guarantee of performance. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only.

Responsible Investment: GRESB

Threadneedle Property Unit Trust 2021 GRESB results



G R E S B
★ ★ ★ ☆ ☆ 2021



Global Real Estate Sustainability Benchmark

Key takeaways

- Tenth year of the Fund's submission to GRESB
- Scored 75 out of 100 (Peer Average = 69)
- Ranked 25th within its peer group of 102 funds

Strengths

- Management scored 30/30
- Improvements recognised in reporting
- Data monitoring (especially energy and GHG) consistently score well

Areas of improvement

- Building certification (note: inconsistent with Fund strategy)
- Water / waste landlord data coverage currently incomplete
- Engagement with tenants required to improve data coverage on FRI buildings

Source: Columbia Threadneedle Investments, as at 30 September 2021. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners. Sustainability risks are integrated into the fund's investment 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

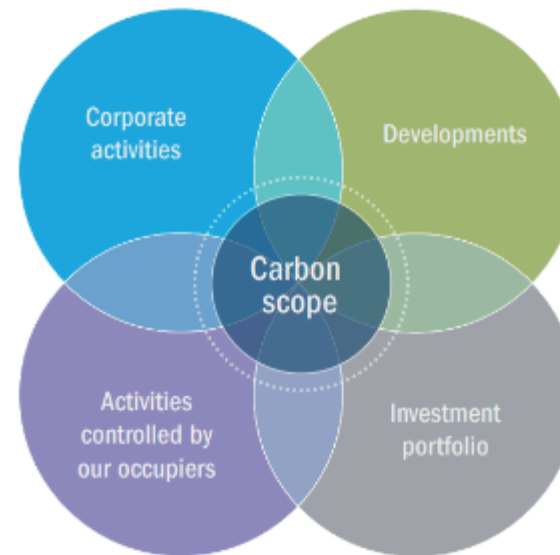
UK Real Estate commitment to decarbonise our portfolios

Our commitment is to achieve Net Zero carbon across all commercial real estate assets managed for our clients by 2050 or sooner.

- Each fund will set interim targets to measure and drive progression towards the ultimate 2050 target
- This commitment covers whole building emissions including our occupiers
- Driving change through the supply chain requires effective occupier and supplier engagement
- Initiatives underway include our Stewardship Code for contractors, and Green Lease clauses which we encourage our occupiers to adopt

All operational energy and water consumption, all waste produced and all travel associated with our business activities

All embodied carbon within developments, refurbishments and the fit-outs that we manage



All occupier-controlled energy, water and waste consumed and produced through our managed portfolio

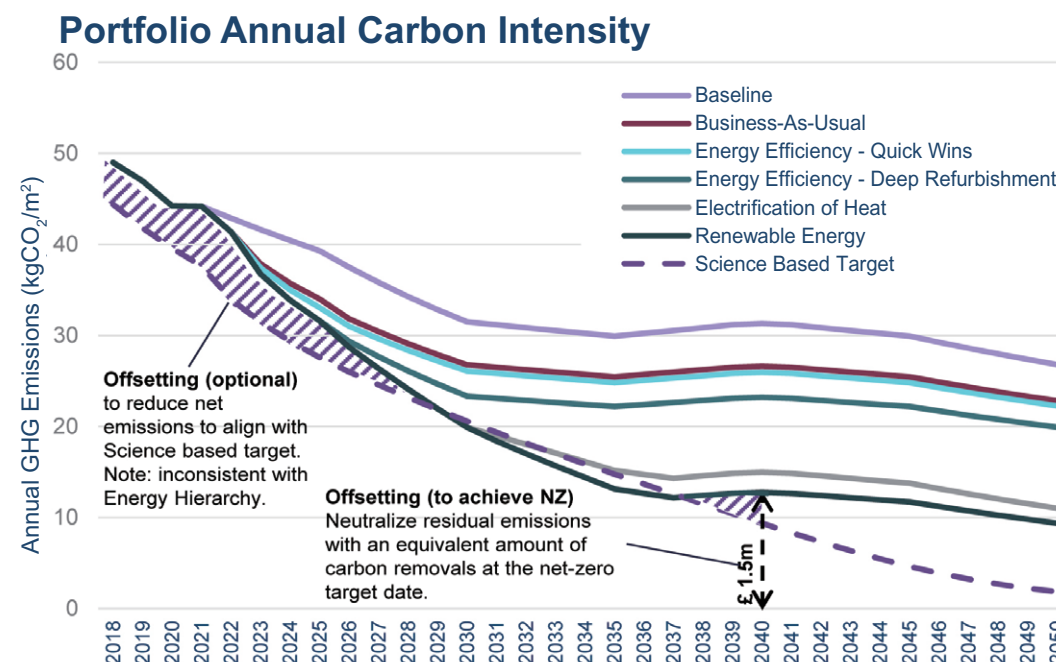
All landlord-controlled emissions, water and waste consumed and produced through our managed portfolio

Source: Columbia Threadneedle Investments UK Real Estate Net Zero Strategy & Pathway, as at August 2021. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only. The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in its prospectus.

Responsible Investment: Net Zero fund pathway

Threadneedle Property Unit Trust pathway to Net Zero

Action	EVORA Modelled time	EVORA Modelled cost	Est. Energy consumption saving
Quick wins	2022-25	£2.2m	<10%
Major asset refurbishment	2022-30	£30.0m	c30%
Use of renewables	2025-37	£15.9m	c27%
Electrification of heat	2030-35	£48.6m	
Cumulative cost & saving impact		£96.7m / £5.4m p.a.	c67%
Offsetting	2040	£1.5m p.a.	Residual



- Net Zero pathway completed in October 2021 and sensitivity analysis completed in February 2022
- Between 2017-2021 Threadneedle Property Unit Trust completed **128** capital projects investing an average **£8.7 million** per annum in building improvements
- Cap ex budgeted for 2022 is approximately **£14.6 million**
- Yield impact would be offset by rental increase of **+2.0%** based on current passing rent




Source: EVORA Net Zero Target & Sensitivity Analysis, Threadneedle Property Unit Trust, as at 31 March 2022. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only. The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in its prospectus.

Asset management activity

Building improvements: Skydome, Coventry

- **161,900 sq. ft. leisure complex. Fund's highest energy consuming asset**
- Sustainability audits undertaken since 2018, resulting in increased awareness of energy action plan
- Capex of £1.4 million allocated to replace legacy boilers, upgrade and improve the BMC and replace the roof
- New energy efficient boilers have reduced energy consumption by 25% against preceding average use
- New 417kWp photovoltaic (PV) system using high wattage panels have been installed on the roof, which supply power equivalent to approximately 10.8% of current electricity usage, reducing demand on the Grid
- Phase 2 works being considered (additional PV panels and upgrade of AHUs)



Outcomes:	 Financial	50% of the cost of replacing the boilers and roof covering is being recovered through the S/C. PV panels forecast to generate annualised IRR in excess of 15%
	 Environmental	New boilers have reduced energy consumption by 25%. New PV panels generate an additional 10.8% of current electricity usage
	 Social	Greener energy benefits all users. Additional on-going projects

Source: Columbia Threadneedle Investments, as at 31 March 2022. *Rent achieved is headline rent on expiry of tenant incentive periods

ESG Reporting: EPC Data

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

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Target
Property assets	184	173	168	167	165	–
Rateable units	841	804	775	755	749	–
EPC coverage (% rateable units)	96.8%	97.8%	98.8%	97.6%	98.9%	100%
EPC rated A (% rateable units)	0.4%	0.5%	0.6%	0.7%	0.7%	c25%
EPC rated B (% rateable units)	16.3%	16.9%	16.9%	17.7%	20.0%	c75%
EPC rated C (% rateable units)	37.1%	38.7%	39.5%	38.4%	39.3%	0% by end 2030
EPC rated D (% rateable units)	31.9%	30.3%	29.9%	28.7%	28.3%	0% by end 2027
EPC rated E (% rateable units)	10.0%	10.2%	11.0%	11.1%	9.7%	0% by end 2027
EPC rated F (% rateable units)	0.6%	0.5%	0.4%*	0.3%*	0.4%*	0% by end 2022
EPC rated G (% rateable units)	0.6%	0.6%	0.5%**	0.5%**	0.5%*	0% by end 2021

Source: Columbia Threadneedle Investments, based on % rateable units, as at 30 June 2022. * three properties have units rated EPC 'F'; two are located in Scotland which is subject to differing rating systems and regulations, and one is being refurbished to EPC 'A' specification (TBC) ** one property has units rated EPC 'G', this is located in Scotland and is subject to planned refurbishment in 2022. Targets are indicative and are in no way a guarantee of performance

ESG Reporting: Energy Consumption

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

	2018	2019	2020	2021	Target
Property assets	242	240	198	168	n/a
Landlord managed assets (S/C)	98	97	90	84	n/a
Data coverage: landlord-managed assets (gross floor area)	89%	79%	77%	83.6%	100%
Total Landlord-Managed portfolio energy consumption – absolute	Not measured explicitly prior to 2021			20,555,492 kWh	n/a
Tenant managed assets (FRI)	144	143	108	84	n/a
Data coverage: tenant-managed assets (gross floor area)	20.5%	23.0%	29.0%	62.6%	TBA
Total Tenant-Managed portfolio energy consumption – absolute	Not measured explicitly prior to 2021			19,841,073 kWh	n/a
Data coverage: whole portfolio (gross floor area)	53.4%	55.7%	61.7%	78.4%	TBA
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%)	TBA
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%)	TBA
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%)	TBA

EVORA Notes:

- Increased total energy consumption is partly attributable to increased tenant data coverage across the portfolio
- Property Assets can transition between Landlord-Managed and Tenant-Managed between reporting years, contributing to changes in consumption between these asset classes in the portfolio

Source: Columbia Threadneedle Investments. All data as at 31 December 2021 unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods.

ESG Reporting: Greenhouse Gas (GHG) Emissions

	2018	2019	2020	2021	Target
Property assets	242	218	198	168	n/a
Landlord managed assets (S/C)	98	92	90	84	n/a
Data coverage: landlord-managed assets (gross floor area)	86%	86%	86%	83.6%	100%
Tenant managed assets (FRI)	144	143	108	84	n/a
Data coverage: tenant-managed assets (gross floor area)	17.0%	17.6%	29.0%	62.6%	TBA
Data coverage: whole portfolio (gross floor area)	48.8%	50.0%	61.7%	78.4%	TBA
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%)	TBA

Source: Columbia Threadneedle Investments. All data as at 31 December unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods.

ESG Reporting: Water and Waste Consumption

		2018	2019	2020	2021	Target
Property assets		242	218	196	168	n/a
Landlord managed assets (S/C)		98	92	90	84	n/a
Data coverage: landlord-managed assets (gross floor area)	Water	39%	39%	31%	30.1%	100%
	Waste	14%	27%	27%	22.9%	100%
Tenant managed assets (FRI)		144	143	124	84	n/a
Data coverage: tenant-managed assets (gross floor area)	Water	0	8.0%	8.7%	39.2%	TBA
	Waste	0	13.2%	14.07%	32.3%	TBA
Data coverage: whole portfolio (gross floor area)	Water	15.7%	23.2%	24.0%	38.8%	TBA
	Waste	7.0%	20.0%	21.1%	27.0%	TBA
Total water consumption – absolute		130,373 m ³	279,902 m ³	271,535 m ³	79,332 m ³	TBA
Total waste consumption – absolute		399.00 tonnes	788.72 tonnes	8,795.74 tonnes	2,516 tonnes	TBA

Source: Columbia Threadneedle Investments. All data as at 31 December unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods.

ESG Reporting: Flood Risk

Target: to monitor and report flood risk for every asset on an annual basis

Portfolio risk exposure by value	2019	2020	2021	2022 (31 March)	Target
Property assets	206	199	168	165	n/a
Low	164 (74.9%)	158 (75.1%)	135 (74.5%)	133 (74.9%)	n/a
Medium	33 (21.6%)	32 (21.3%)	27 (22.3%)	27 (22.0%)	n/a
High	5 (2.2%)	5 (2.1%)	3 (1.7%)	4 (2.5%)	n/a
Extreme	4 (1.4%)	4 (1.5%)	3 (1.5%)	1 (0.6%)	n/a

Extreme risk assets	High risk assets
Sheffield, The Square	Bristol, 786 Fishponds
	Redhill, Red Central
	Galashiels, Gala Water Park
	London E10, Lea Bridge Road

Source: Columbia Threadneedle Investments. 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 residual 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) – June 2022

The key areas of risk impacting this fund as at the end of June 2022 are outlined below:

Key: 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 temporary ceiling of 8.5% under Trust inflow protocol.	Liquidity at quarter end: 6.4%
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-June 2022: 9.25%
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: 3.37% 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: 3.9%
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: 6.09%
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: 7.6%
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 June 2022: 93.63% collected at day 21 ¹
Counterparty	Low – Minimal Counterparty Exposure	No Maximum restriction within scheme.	Deposits with single bank at end of quarter: 6.45% 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 Collection of rent has been significantly impacted by the COVID-19 pandemic and is being closely monitored.

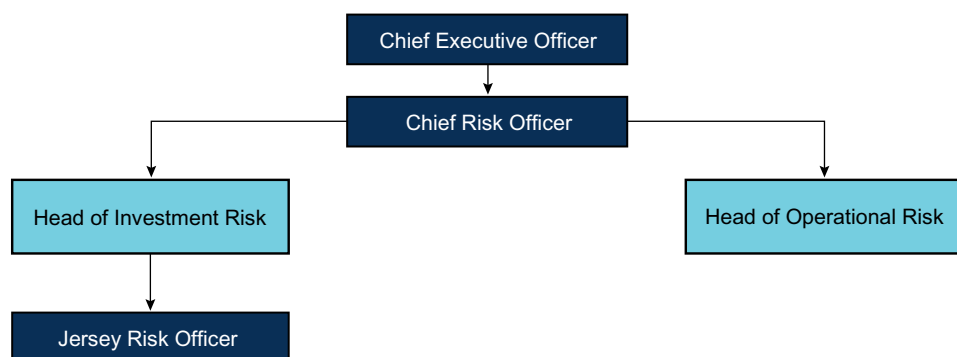
The Columbia Threadneedle Investments EMEA Property Risk Management System

The Columbia Threadneedle Investments EMEA Property Risk Management Team (the “Risk Team”), collectively provides risk management services to all Columbia Threadneedle Investments entities. The Risk Team function is led by the Head of Investment Risk and the Head of Operational Risk reporting to the Chief Executive Officer of Columbia Threadneedle Investments.

The Risk Team:

- Oversees implementation of the risk management policy and procedures;
- Oversees compliance with risk limits within each property fund;
- Provides advice regarding the identification of the risk profile of a Fund;
- Provides regular reports to various Boards 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 Risk Team as it relates to property risk is provided below. The Risk Team has an independent reporting line to the CEO of Columbia Threadneedle Investments:



Threadneedle Investments (Channel Islands) Limited as Manager of the Fund have appointed an independent Jersey Risk Officer.

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

- Market price risk data
- Leverage and interest rate risk
- Liquidity and cash flow risk
- 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 property Funds and any Investment Management agreements in place to ensure that the risks faced by the Fund are assessed adequately and controlled appropriately.

The Risk Team is responsible for overseeing the provision of data, risk analysis and recommendations that are reliable, timely and accurate and its performance is the subject of regular periodic reviews by the Columbia Threadneedle Investments (Group level) internal audit function.

Columbia Threadneedle Investments purchases Professional Indemnity insurance in order to cover its perceived risks to a level in accordance with regulatory requirements and commensurate with its needs as a responsible asset manager.

This insurance is purchased as part of the Columbia Threadneedle Investments Group insurance arrangements, is reviewed on an annual basis and is administered by the Property Governance and Insurance Team.

Columbia Threadneedle Investments' fund managers and support staff collectively meet on a monthly basis to discuss all funds and potential impacts/strategy in an open forum, which is attended by the Property Governance and Insurance Team.

Material Changes

Rental collection – The risk rating changed from Green to Red as only 57.55% of rent was collected within 21 days of quarter day due to the current exceptional market environment.

Kevin Mundy
Jersey Risk Officer
June 2022

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.

NR / GCV

■ **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.

$NOMRV / GCV$

■ **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:** The MSCI/AREF UK All Balanced Property Funds Weighted Average 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 investment professionals use only (not for onward distribution to, or to be relied upon by private investors).

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

Information for holder of units of the Threadneedle Pension Property Fund: Threadneedle Pensions Limited provides insurance policies that entitle to holder to the value determined with reference to the underlying investment in a pooled pension fund. The holder of a policy does not own the units in the selected fund. Columbia Threadneedle Investments does not give investment advice.

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.

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