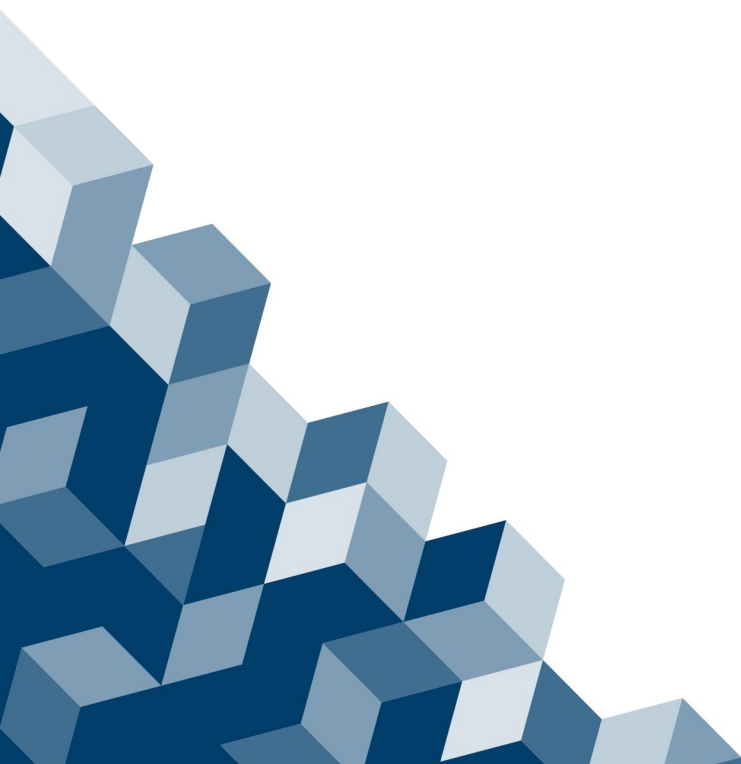


Threadneedle Property Unit Trust

Quarterly Report as at 30 September 2022

Confidential



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Responsible Investment update

Important announcement regarding Net Zero Carbon and SFDR:

As communicated in the Fund's Annual Report to 31 March 2022, the Manager and the Investment Advisor have been working to enshrine ESG Key Performance Indicators within the Fund Prospectus, including a commitment to achieve net zero operational carbon emissions by 2040, alongside disclosures under Article 8 of the EU Sustainable Finance Disclosure Regulations ("SFDR").

We are delighted to share that this process is now complete, and the Fund, and its Luxembourg Feeder SA SICAV-SIF ('Feeder Fund'), have made formal commitments to promote Environmental Characteristics as defined under the SFDR, which can be summarised as follows:

- In order to achieve net zero operational carbon emissions from its property portfolio by 2040 or sooner, the Fund aims to create sustainable property assets that are environmentally optimized by promoting environmental characteristics through asset selection and active asset management.
- In particular, the Fund has and will continue to (1) improve the environmental performance potential of its property assets, and (2) lower the energy use and carbon intensity of its property assets.

These changes reflect the property fund management activities already being undertaken by the Investment Advisor, and they do not constitute a material change to the Fund's stated objective *to provide Unitholders with an indirect investment exposure to a diversified portfolio of property assets in the United Kingdom*. Instead, in seeking to achieve this objective, the Prospectus now clarifies that the Manager and the Investment Advisor adopt an investment approach which aims to deliver positive financial, environmental and social outcomes.

This is reflected in the key performance indicators which the Manager intends to monitor as part of its role:

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

This responsible investment approach has now been formalised within the Fund and the Feeder Fund Prospectus' (subject to approval by the CSSF in Luxembourg) and reporting against these metrics is already included within the standard investor reports. These changes are consistent with the core roles Columbia Threadneedle plays as responsible partner, investor, employer and citizen, and ensure the Fund and the Feeder Fund are best placed to continue to deliver for investors over the long term.

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 1,553 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Bid	314.09
■ Offer	336.64
■ NAV	317.91
■ Jersey domiciled property unit trust.	
■ Income distributed quarterly (can be reinvested)	
■ Prices and deals at month ends.	
■ Bid/offer spread maximum of 7.1%	

Source: Columbia Threadneedle Investments

Portfolio Highlights

	NAV £1.55 billion		163 properties		Average lot size £8.7 million
	706 tenancies		Gross rent roll £75.2 million p.a.		WAULT 4.7 years (6.6 years)
	Vacancy rate 6.8% (9.5%)		Net Initial Yield 5.1% (4.3%)		Equivalent Yield 6.2% (5.5%)
	Cash 7.2% (4.2%)*		GRESB Rating 75/100		Total return 12.0% (13.3%)* (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 September 2022

Market Context

Market Commentary

UK Macroeconomy

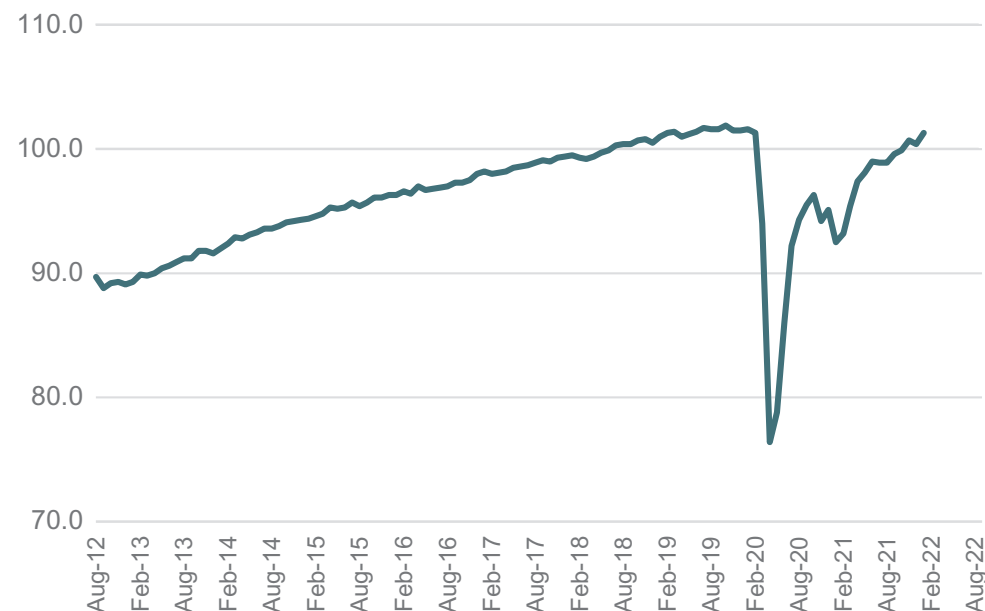
The UK economy has continued on a trajectory of declining growth, as geo-political events and rising inflation continue to challenge policymakers to take both fiscal and monetary steps to address such headwinds. UK GDP was estimated to have fallen by -0.3% m/m in August after recording modest growth 0.1% m/m in July. With an additional bank holiday in September, GDP for the third quarter is anticipated to be negative. Whilst monthly GDP is now estimated to be at the same level as its pre-pandemic level (February 2020), recessionary concerns remain as policymakers continue to grapple with inflation at a 40-year high of 10.1% (CPI, September).

Whilst the BoE raised the UK base rate by 50 bps to 2.25% at the September MPC meeting, the US Federal Reserve has continued to take a more aggressive approach to rates hikes with its policy rate at 3.25%. The disparity in approaches partially explains sterling's slide in value against the dollar throughout the quarter. Against this backdrop, further modest rate rises are anticipated at forthcoming MPC meetings in an attempt to temper inflation.

Whilst the above factors have posed significant challenges to the economy, the labour markets however have remained constrained, with the unemployment rate falling by 0.3 percentage points to 3.5% in the three months to August as demand for labour remains high and as such fuelling economic productivity but also employee demands for higher wages.

At this time of this report publication, it is too early to anticipate the impact of any policy changes which may be implemented by a new UK government following the resignation of Liz Truss (21/10/22).

10-year UK GDP (Indexed)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, ONS GDP Monthly Estimate August 22, and LSH UKIT Q3 2022 report as at 30 September 2022.

Market Context

Market Commentary (continued)

Investment volumes

Total UK commercial property investment volumes reached £10.5bn for Q3 2022 which is c.21% down on the 5 yearly quarterly average. This is perhaps to be expected, given the social and macro-economic events which shaped the quarter, during which the death of Queen Elizabeth II and the fallout from the 'Mini-budget' understandably provoked a cautious response from property investors. Negative sentiment prevails and investor caution is likely to persist until stability is restored to the financial markets and expectations on interest rates and finance costs become clearer. However, anecdotally, we are aware that significant sums of capital remain available for investment once pricing visibility improves.

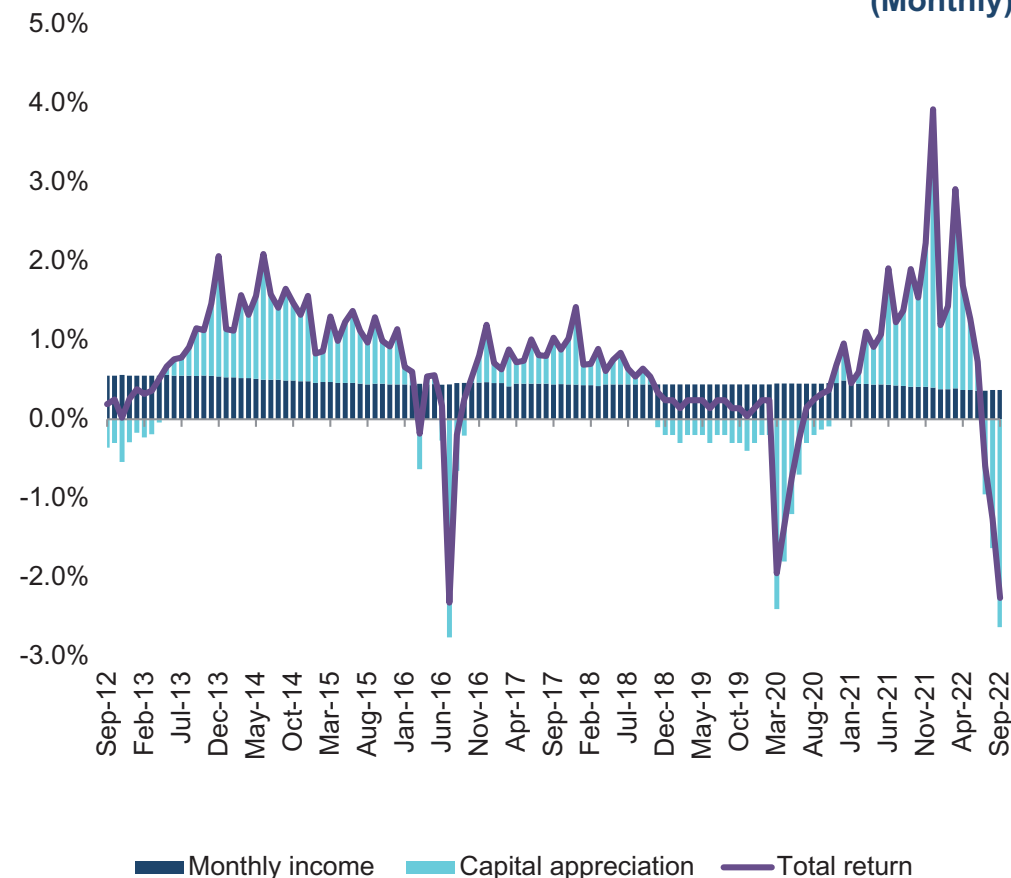
High volatility in gilt yields following the 'Mini-budget' on 23 September forced a large number of UK Defined Benefit Pension Schemes to significantly increase liquidity, and caused a sudden increase in redemption requests from open-ended property funds, some of which subsequently deferred or suspended redemptions. This position remains under review by most Managers.

Returns

Following the slowdown in capital growth during Q2, the market (as represented by the MSCI UK Monthly Property Index) saw capital values decrease by -5.1% across all sectors in the third quarter, and total returns recorded -4.1%, being partially offset by an income return of 1.1%.

With investors facing rising debt costs and industrial yields retreating from record low levels in the first half of 2022, the sector posted capital value growth of -8.1% for the quarter which represents the largest quarterly decrease for the sector since February 2009; however the 12 month returns remain positive at 15.6%. The office market

10-year UK Commercial property total returns (Monthly)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q3 2022 report as at 30 September 2022.

Market Context

Market Commentary (continued)

suffered the lowest capital value fall of the core sectors at -2.7%, as investors continue to recognise the occupational resilience of the Central London markets. The retail sector generated capital value growth of -3.3%. On an annualised basis, total returns to 30 September 2022 were 13.5%.

Occupational trends

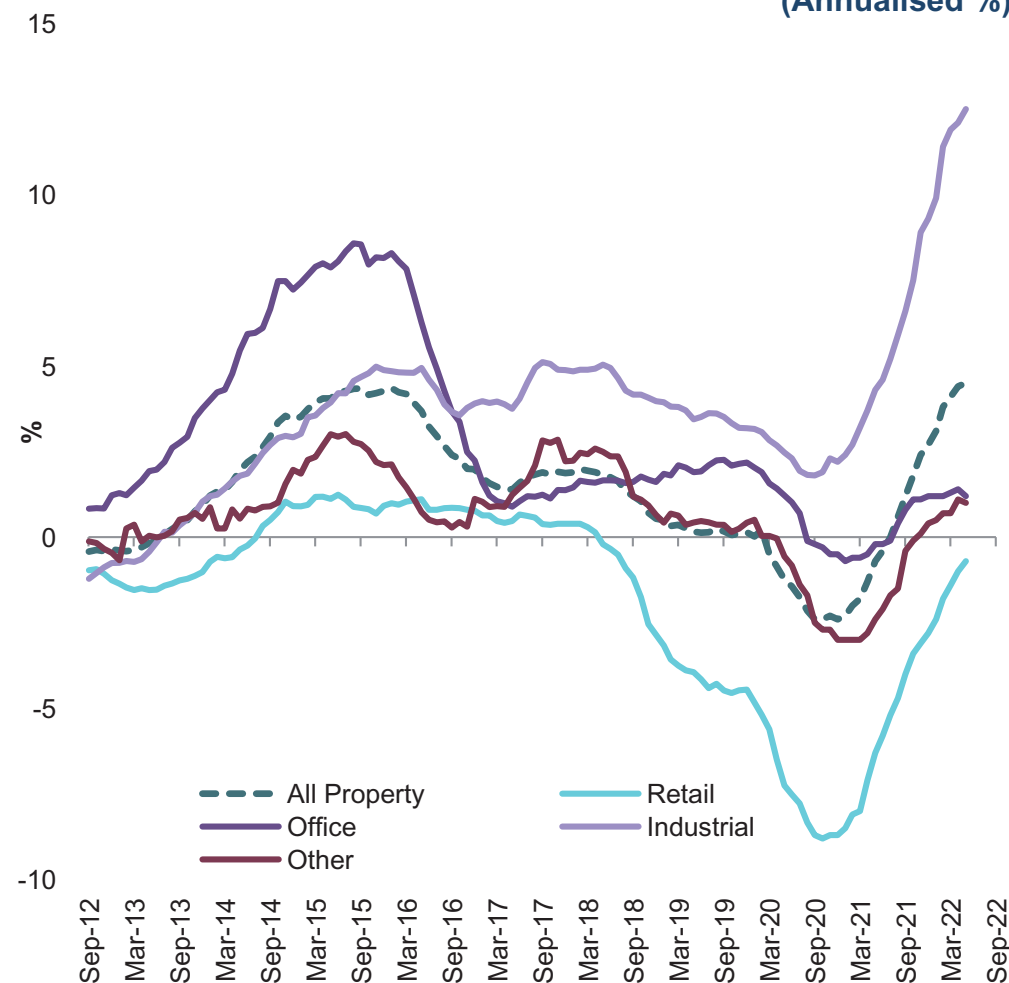
Despite the macro-economic challenges, core occupier markets have continued to demonstrate resilience. The industrial sector recorded positive rental growth of 2.7% for the quarter in recognition of the continued strong occupier demand and severely constrained supply. The retail sector saw rental values remain in positive territory in line with the Q2 performance of 0.1%, whilst the office market posted growth of 0.4%, despite the impact of a change in working behaviours post-pandemic.

Outlook

The “All Property” Net Initial Yield at the end of September 2022 increased by 21bps over the quarter to 4.4%, which represents the first quarterly yield increase since the Covid-19 pandemic. Given the more challenging macroeconomic outlook, and the valuation falls experienced in other asset classes during H1 2022, further capital value falls may reasonably be anticipated for the remainder of 2022, and positive income attributes will become a more prominent factor of 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 Q3 2022 report as at 30 September 2022.

Fund Overview – Q3 2022

Material Changes

- The Fund's Prospectus was updated effective 30 September to clarify its management approach with regard to Responsible Investment, resulting in a formal commitment to achieve operational Net Zero carbon emissions from the portfolio by 2040. Please refer to page 3 for full details.
- There are no material changes relating to arrangements for managing the liquidity of the Fund.

Liquidity

- The fund continues to maintain a robust liquidity position with gross cash of £109.8m equivalent to 7.1% of NAV (7.2% on the AREF net debt 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

- Over the third quarter the Fund continued its disposal programme of non-core assets, comprising those assets deemed sub-scale and/or where capital expenditure is deemed uneconomic.
- The Fund sold 2 assets during the quarter, delivering total sales of £3.87m. Following the Q2 sale of 6/7 D'Arblay Street, London, the Fund sold the residual holding, 5 D'Arblay Street, to an owner occupier for £3.2m which was in line with the latest independent valuation. The asset presented poor environmental (EPC E) and financial performance prospects and its disposal mitigates perceived risk.
- Consistent with its ongoing strategy to reduce High Street retail exposure, the Fund sold 254-260 Oxford Street, Swansea for £675,000, which generated a modest premium to the latest independent valuation.
- Following investor reaction to the 'Mini-budget' on 23 September, the Fund has accelerated its sale programme in order to meet anticipated redemptions in a prudent and timely manner, with the expectation of concluding additional sales in Q4 2022.

Rent Collection

- Rent collection for the forthcoming quarter stands at 97.6% (as at Day 21).

Performance

- The Fund delivered a total return of -4.3% for Q3, marginally underperforming against the benchmark by -0.3%. The annualised total return at the end of September stands at 12%, 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 3.9%, 34% above the benchmark level of 2.9% as of 30 September 2022.
- The Fund completed 16 refurbishment projects over the 12-months ending 30 September 2022, 76.3% of which (by value) delivered EPC 'B' or better. Like-for-like energy consumption on the landlord-managed investment portfolio was -13.4% for the 12-months ending 30 June 2022 against FY 2019.

Attribution

- Over 12 months ending 30 September 2022, the fund's directly held property assets generated relative total returns +0.9% against the broader property market. This was achieved through a positive relative income return of +0.8% and positive capital value growth of +0.1%. The fund's retail assets performed better than the wider market by +7.5%, delivering a total return of 22.5%. Offices, however, underperformed by -2.6% relative to market, producing a total return of 1.9%. The Fund continues to take a pro-active approach to 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, delivering total returns of 18%, marginally underperformed the market by -1.5%. (Source: MSCI, TPUT directly held assets compared to the MSCI UK Monthly Property index).

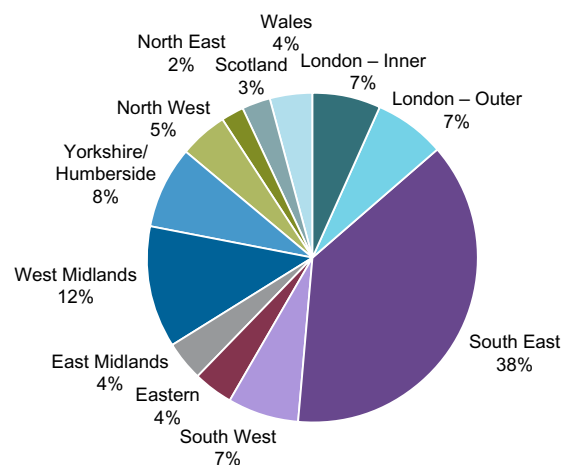
Outlook

- While pressure on capital values is likely to continue due to macroeconomic headwinds, UK Real Estate continues to offer attractive relative performance attributes. We continue to believe the Fund is well placed to capture long-term sustainable growth prospects through its enduring 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 5.1% against 4.3% offered by the MSCI UK Monthly Index. The Fund's strategic sector weighting positions towards Landlord favourable core occupational markets should continue to provide a solid foundation for long-term out-performance.

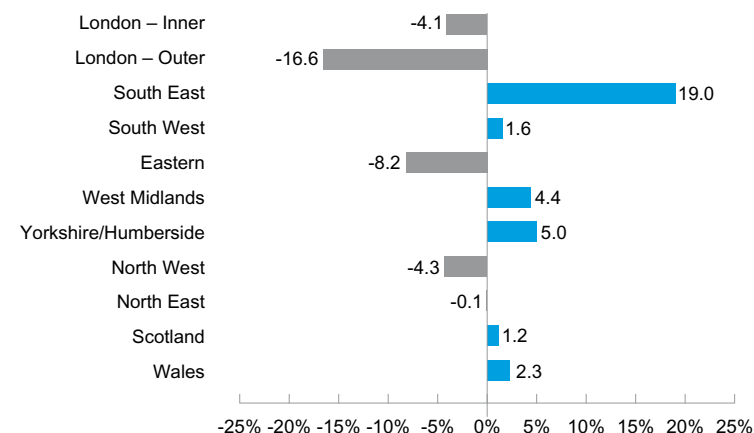
Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and AREF UK Quarterly 'All Balanced Open-Ended' Property Fund Index, 30 September 2022

Property Portfolio Sector and Geographical Positioning

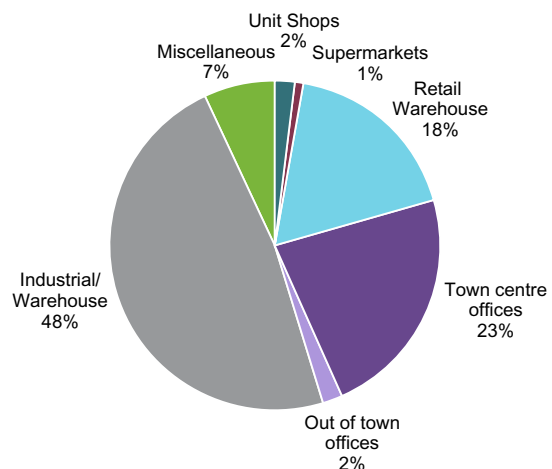
Property portfolio weighting – geographical split



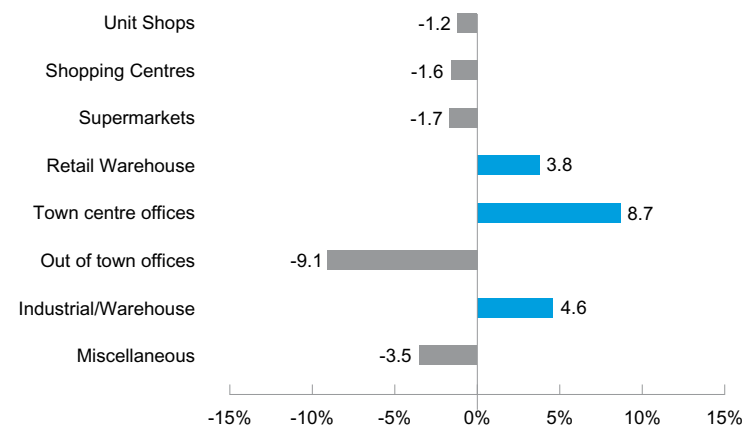
Relative portfolio weighting (%) versus MSCI Monthly Index



Property portfolio weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

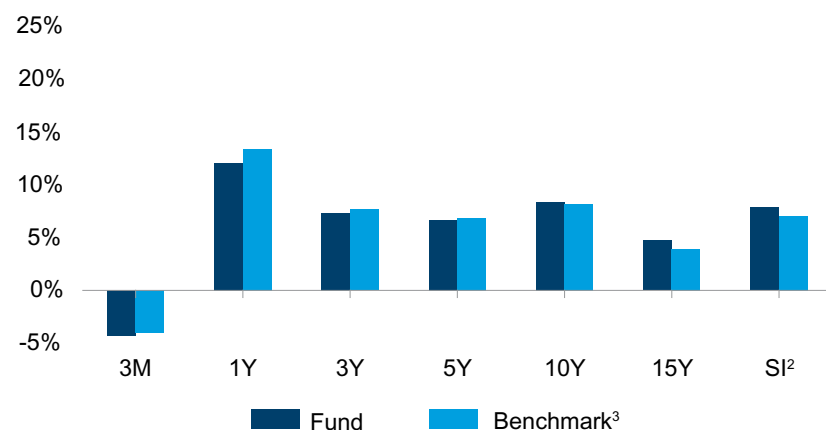


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 30 September 2022

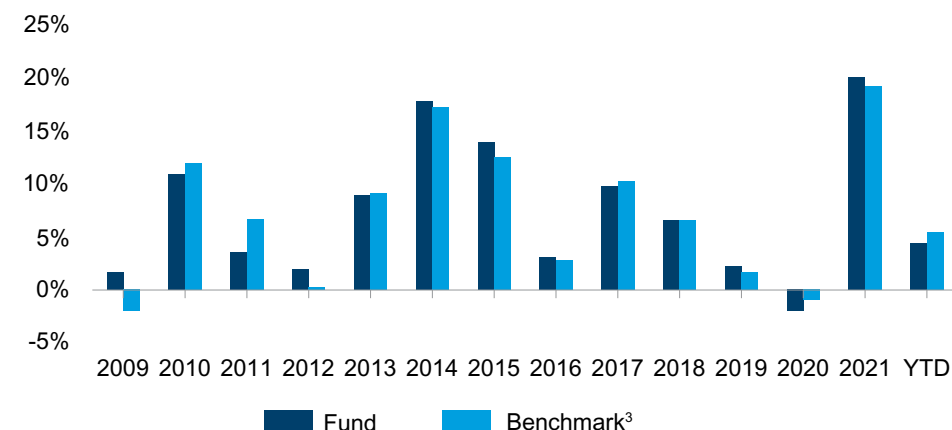
Fund Performance

Long Term Performance

Discrete periods¹



Calendar Years



Fund Performance

Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	-4.3	4.4	12.0	7.3	6.6	8.3	4.7	7.8
Benchmark**	-4.0	5.4	13.3	7.6	6.8	8.1	3.9	7.0
Relative (Arithmetic)	-0.3	-1.0	-1.3	-0.3	-0.2	0.2	0.7	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	Spitfire Retail Park	Retail Warehouse	25-50
London W1	46 Foley Street	Town Centre Offices	25-50
Hampton	Kempton Gate	Industrial / Warehouse	10-25
York	Foss Islands Retail Park	Retail Warehouse	10-25
Cardiff	Newport Road	Retail Warehouse	10-25
Rugby	Swift Point	Industrial / Warehouse	10-25
Wokingham	Ashville Park	Industrial / Warehouse	10-25
St Albans	Abbey View	Town Centre Offices	10-25
London SW1	Warwick House	Town Centre Offices	10-25

Tenant

	% of rents passing
EV Retail Limited	3.4
Tesco PLC	2.4
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	1.4
Envy Post Production Limited	1.2
Meditor Holdings Limited	1.2

Source: Columbia Threadneedle Investments as at 30 September 2022

Investment Activity – Key Purchases and Sales Over Q3 2022

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
None				
Sales				
5 D'Arblay Street, London	Q3 2022	Town Centre Offices	2.5-5	4.2
254-260 Oxford Street, Swansea	Q3 2022	Unit Shop	0-2.5	28.7

Source: Columbia Threadneedle Investments as at 30 September 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: environmental

Sustainability Dashboard – quarterly performance metrics

Property infrastructure: EPCs

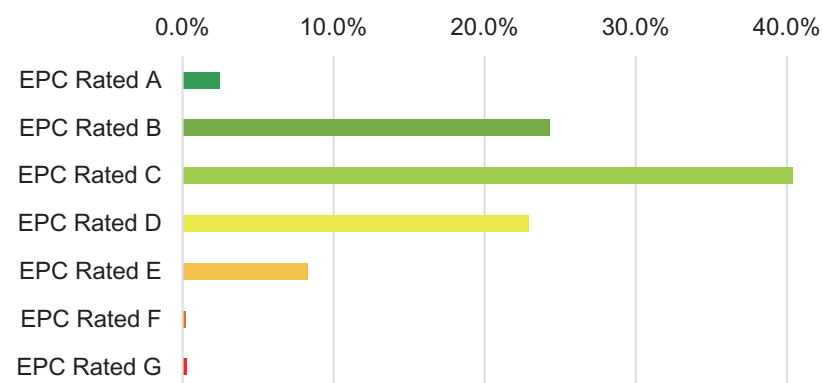
Target EPC 'B' by 2030



Key performance metrics

Portfolio coverage (whole portfolio, % ERV)	98.9%
Works projects completed (past 12 months)	24
Refurbishments delivering 'B' or better	96.8%

Property Portfolio EPC Ratings by ERV



Property performance: Energy use

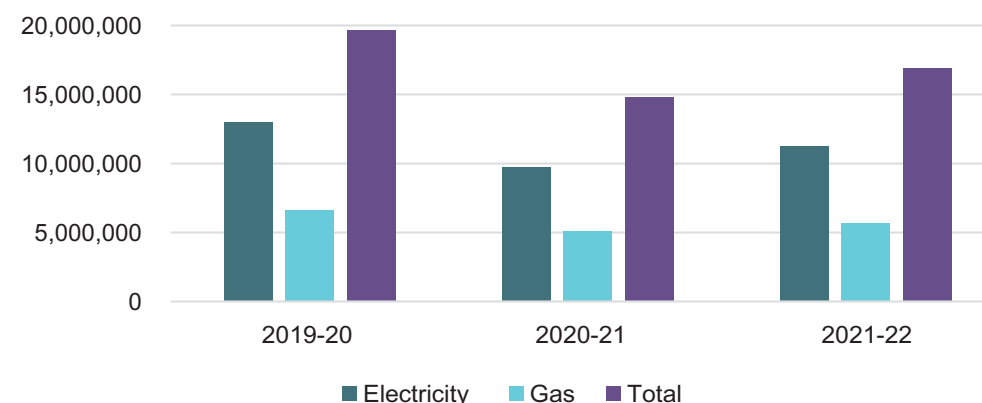
*Target 20% reduction by 2030**



Key performance metrics

Portfolio coverage (LL managed portfolio, % floor area)	79.7%
Energy consumption change L-f-L Y-on-Y	-10.0%
Energy consumption change vs baseline*	-13.4%

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



Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 30 September 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 30 June 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 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. Since last quarter, the tenant supplies at Skydome, Coventry have been isolated and removed from the landlord managed portfolio statistics. 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 2022 GRESB results



G R E S B
★ ★ ★ ☆ ☆ 2022

Global Real Estate Sustainability Benchmark

Key takeaways

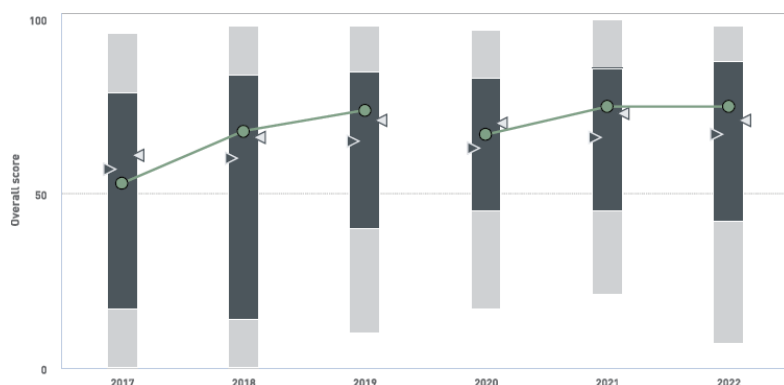
- Eleventh year of the Fund's submission to GRESB
- Scored 75 out of 100 (Peer Average = 70)
- Ranked 26th within its peer group of 93 funds

Strengths

- Management scored 30/30
- Targets, data monitoring and data review all score well
- Tenant and community engagement improvement

Areas of improvement

- Building certification (minor improvement on 2021)
- Water data coverage requires improvement
- Scope for further improvement on energy and GHG data coverage – consistent engagement with tenants required to improve data coverage on FRI buildings



Source: Columbia Threadneedle Investments, as at 30 September 2022. 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

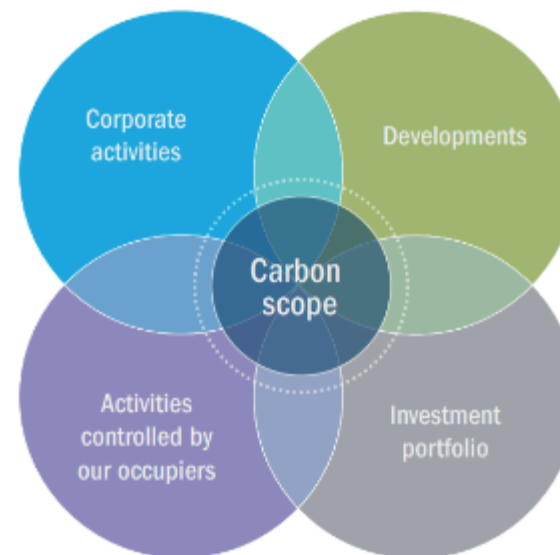
UK Real Estate commitment to decarbonise our portfolios

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

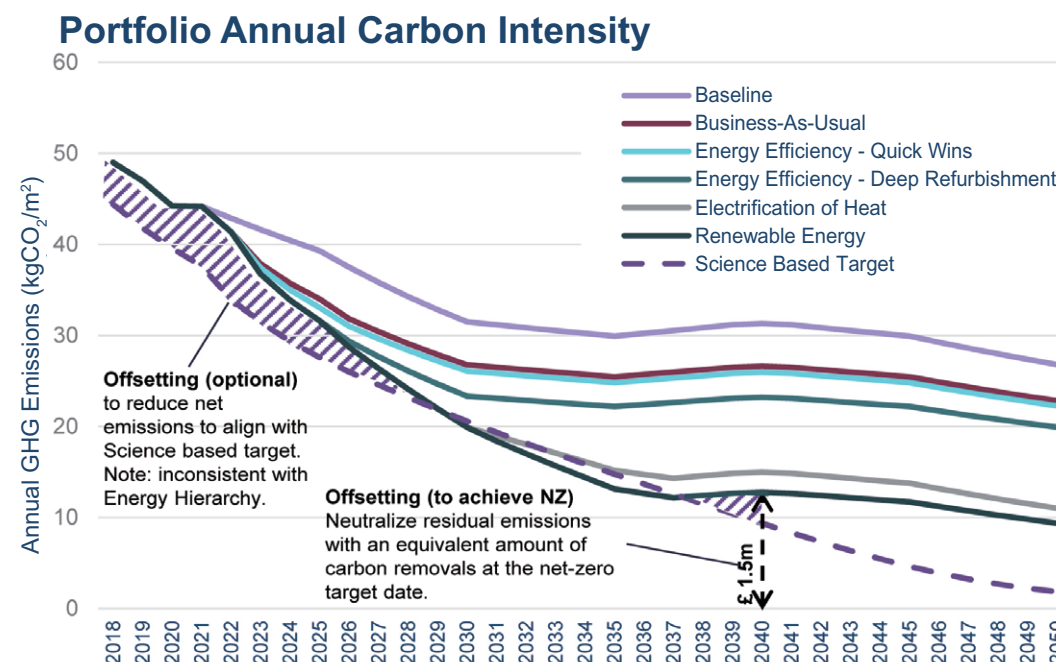
All landlord-controlled emissions, water and waste consumed and produced through our managed portfolio

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 carbon

Formally committed to operational Net Zero by 2040

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 30 September 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

Refurbishment: One Abbey View, St. Albans – EPC ‘A’

- **21,250 sq. ft. office constructed in 1990**
- £2.9 million asset refurbishment project designed to optimise whole carbon intensity over whole design life
- Designed and procured with ‘E’ and ‘S’ factors at the heart of the decision making process, including on-site renewables, electrification of heat and EV charging points
- Delivered EPC ‘A’ rating and will be Air Rated and BREEAM ‘Very Good’ certified – expected to deliver significant cost savings and wellness benefits to occupiers
- Achieved practical completion in Q3 2022
- Part floor leased to Bupa at £38.50 per sq. ft.*



Outcomes:	 Financial	Rental uplift +28% on pre-refurbishment ERV (£30 psf to £38.50 psf)
	 Environmental	Project designed to optimise whole life carbon intensity. Achieved EPC ‘A’
	 Social	Project is pilot for TOMs Social Value framework

Source: Columbia Threadneedle Investments, as at 30 September 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	Q3 2022
Property assets	184	173	168	167	165	163
Rateable units	841	804	775	755	749	735
EPC coverage (% rateable units)	96.8%	97.8%	98.8%	97.6%	98.9%	99.3%
EPC rated A (% rateable units)	0.4%	0.5%	0.6%	0.7%	0.7%	1.6%
EPC rated B (% rateable units)	16.3%	16.9%	16.9%	17.7%	20.0%	21.8%
EPC rated C (% rateable units)	37.1%	38.7%	39.5%	38.4%	39.3%	39.7%
EPC rated D (% rateable units)	31.9%	30.3%	29.9%	28.7%	28.3%	26.7%
EPC rated E (% rateable units)	10.0%	10.2%	11.0%	11.1%	9.7%	8.8%
EPC rated F (% rateable units)	0.6%	0.5%	0.4%*	0.3%*	0.4%*	0.4%*
EPC rated G (% rateable units)	0.6%	0.6%	0.5%**	0.5%**	0.5%*	0.3%*

Source: Columbia Threadneedle Investments, based on % rateable units, as at 30 September 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 by 2030, where the landlord has operational control

	2018	2019	2020	2021
Property assets	242	218	198	168
Landlord managed assets (S/C)	98	92	90	84
Data coverage: landlord-managed assets (gross floor area)	84%	79%	77%	83.6%
Total Landlord-Managed portfolio energy consumption – absolute	<i>Not measured explicitly prior to 2021</i>			20,555,492 kWh
Tenant managed assets (FRI)	144	126	108	84
Data coverage: tenant-managed assets (gross floor area)	20.5%	23.0%	29.0%	62.6%
Total Tenant-Managed portfolio energy consumption – absolute	<i>Not measured explicitly prior to 2021</i>			19,841,073 kWh
Data coverage: whole portfolio (gross floor area)	53.4%	55.7%	61.7%	78.4%
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%)
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%)
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%)

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. 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

ESG Reporting: Greenhouse Gas (GHG) Emissions

Target: 30% reduction in GHG emissions by 2030, where the landlord has operational control

	2018	2019	2020	2021
Property assets	242	218	198	168
Landlord managed assets (S/C)	98	92	90	84
Data coverage: landlord-managed assets (gross floor area)	84%	79%	77%	83.6%
Tenant managed assets (FRI)	144	126	108	84
Data coverage: tenant-managed assets (gross floor area)	17.0%	17.6%	29.0%	62.6%
Data coverage: whole portfolio (gross floor area)	48.8%	50.0%	61.7%	78.4%
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%)

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

ESG Reporting: Water and Waste Consumption

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

		2018	2019	2020	2021
Property assets		242	218	198	168
Landlord managed assets (S/C)		98	92	90	84
Data coverage: landlord-managed assets (gross floor area)	Water	39%	39%	31%	30.1%
	Waste	14%	27%	27%	22.9%
Tenant managed assets (FRI)		144	126	108	84
Data coverage: tenant-managed assets (gross floor area)	Water	0	8.0%	8.7%	39.2%
	Waste	0	13.2%	14.07%	32.3%
Data coverage: whole portfolio (gross floor area)	Water	15.7%	23.2%	24.0%	38.8%
	Waste	7.0%	20.0%	21.1%	27.0%
Total water consumption – absolute		130,373 m ³	279,902 m ³	271,535 m ³	79,332 m ³
Total waste consumption – absolute		399.00 tonnes	788.72 tonnes	8,795.74 tonnes	2,516 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

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)
Property assets	206	199	168	165
Low	164 (74.9%)	158 (75.1%)	135 (74.5%)	133 (74.9%)
Medium	33 (21.6%)	32 (21.3%)	27 (22.3%)	27 (22.0%)
High	5 (2.2%)	5 (2.1%)	3 (1.7%)	4 (2.5%)
Extreme	4 (1.4%)	4 (1.5%)	3 (1.5%)	1 (0.6%)
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) – September 2022

The key areas of risk impacting this fund as at the end of September 2022 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 temporary ceiling of 8.5% under Trust inflow protocol.	Liquidity at quarter end: 7.1%
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-end-September 2022: 10.59%
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: 3.42% 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: 3.5%
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: 6.15%
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: 6.8%
Rental collection	Medium - Large number of properties with rental income focused on wide number of tenants.	Target: 95% of Rental Income to be collected within 21 days of quarter day	Quarter ending September 2022: 97.13% collected at day 21.¹
Counterparty	Low - Minimal Counterparty Exposure	No Maximum restriction within scheme.	Deposits with single bank at end of quarter: 7.17% 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.

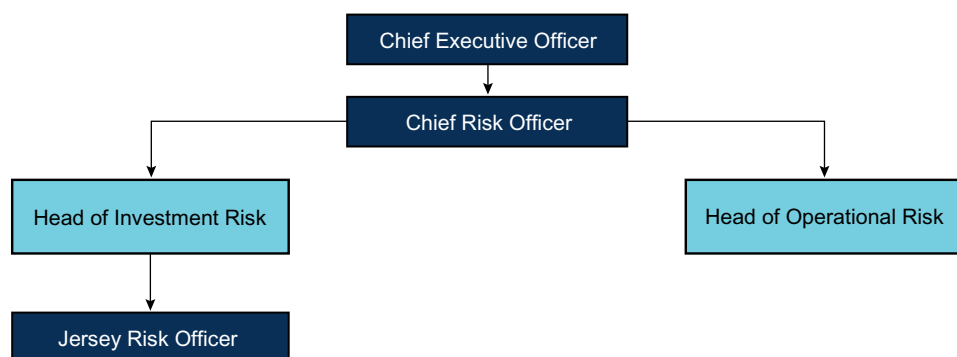
The Columbia Threadneedle Investments EMEA Property Risk Management System

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

During the quarter no material changes have occurred.

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

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

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

In the UK, the Trust is an unregulated collective investment scheme for the purposes of Section 238 of the Financial Services and Markets Act 2000. Accordingly, this document must not be communicated to retail persons in the UK but may only be communicated to persons described in the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions Order) 2001 and to persons whom units are permitted to be promoted in accordance with the FCA's Conduct of Business rules. Approved for UK purposes by Threadneedle Asset

Management Limited and Threadneedle Portfolio Services Limited. Authorised and regulated by the Financial Conduct Authority. Investors are advised that the protections afforded by the UK regulatory system may not apply to an investment in the Fund and compensation will not be available under the UK Financial Services Compensation Scheme.

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

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