Threadneedle Property Unit Trust

Quarterly Report as at 31 March 2023

Confidential

Contents

Propectus updates

Introduction of Strategic Partner unit class:

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

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

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

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

Net Zero Carbon and SFDR:

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

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

For further information, please refer to the Prospectus, or contact the Investment Advisor.

Source: Columbia Threadneedle Investments, in relation to Threadneedle Property Unit Trust, with effect 31 January 2023 and 30 September 2022 respectively

Mandate Summary

Contact Information

Fund Manager	**James Coke**
Client Director Property	**James Allum**
Institutional Client Director	**Moira Gorman**
Institutional Client Director	**Andrew Brown**
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Mandate

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

Fund Information

- Total Assets — GBP 1,084 million
- Benchmark — MSCI/AREF UK All Balanced Property Funds
- Base currency — GBP
- Reporting currency — GBP
- Bid — 263.30
- Offer — 282.43
- NAV — 266.56
- Jersey domiciled property unit trust.
- Income distributed quarterly (can be reinvested)
- Prices and deals at month ends.
- Bid/offer spread maximum of 7.2%

Source: Columbia Threadneedle Investments

Portfolio Highlights

NAV £1.1 billion

123 properties

Average lot size
£8.2 million

550 tenancies

Gross rent roll
£62.8 million p.a.

WAULT 4.7 years
(6.6 years)

Vacancy rate 8.7%
(10.2%)

%NIY

Net Initial Yield 5.9%
(5.1%)

%EY

Equivalent Yield 7.5%
(6.6%)

Cash 5.8%
(5.3%)*

GRESB Rating
75/100

Total return -13.8%
(-14.5%)*
(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 31 March 2023

Market Context

Market Commentary

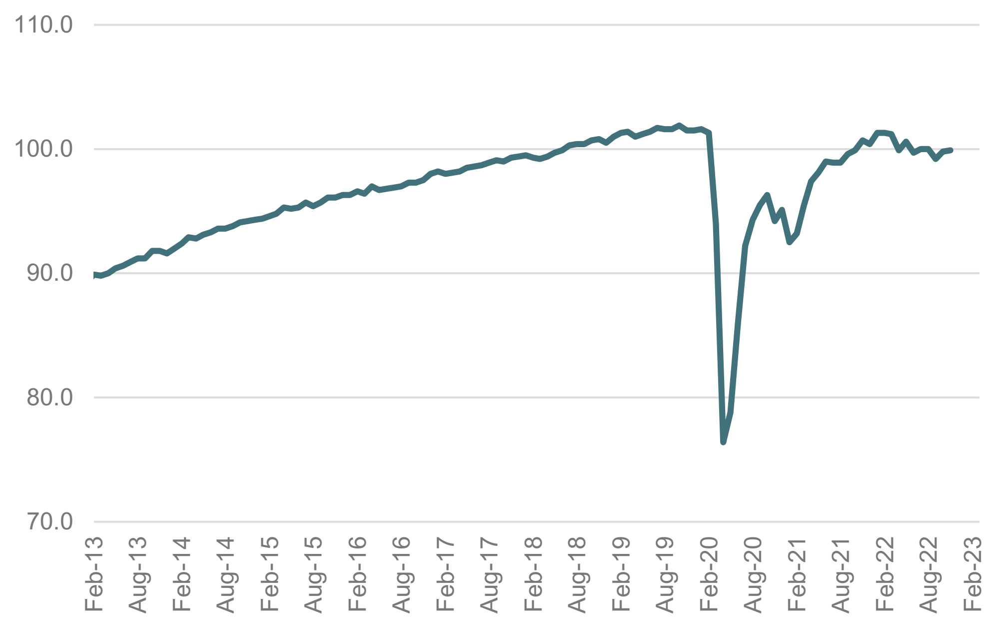
UK Macroeconomy

After averting the technical recession economists expected in Q4 22, the UK economy has continued on a trajectory of modest GDP growth in Q1 23, reflecting global and domestic inflationary headwinds, a series of regional bank failures in the USA, and the takeover of Credit Suisse by UBS. UK GDP is estimated to have grown by 0.4% m/m in January and 0.0% m/m in February, led by growth in the construction sector of 2.4% m/m. With the high inflation proving more persistent than anticipated, the Bank of England has continued its programme of interest rate rises, increasing the base rate 25bps to 4.25%, in an attempt to reduce inflation towards the 2% target.

The consumer economy continues to outperform consensus expectations, with total retail sales volumes up by 0.6% q/q, which represents the first quarterly rise since Q2 2021. Labour markets remain relatively constrained; however, unemployment has increased from 3.7% to 3.8% in the three months to February. During the same period, average total pay, including bonuses grew at an annual rate of 5.9% which was up 20bps from 5.7% measured the previous month.

The easing in global energy prices contributed to a fall in CPI inflation in March, to 10.1% from 10.4% in February; however, core inflation remained at 6.2% in line with the previous month. An additional 25bps interest rate rise to 4.5% is anticipated at the next MPC meeting in May as the BoE seek to lower the rate of core inflation. Whilst investors may welcome the independent Office of Budget Responsibility's (OBR) improved GDP growth outlook that predicts the UK avoiding recession in 2023, an element of cautiousness will remain due to ongoing global geo-political and economic headwinds.

10-year UK GDP (Indexed)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, ONS GDP Monthly Estimate February 23 as at 31 March 2023.

Market Context

Market Commentary (continued)

Investment volumes

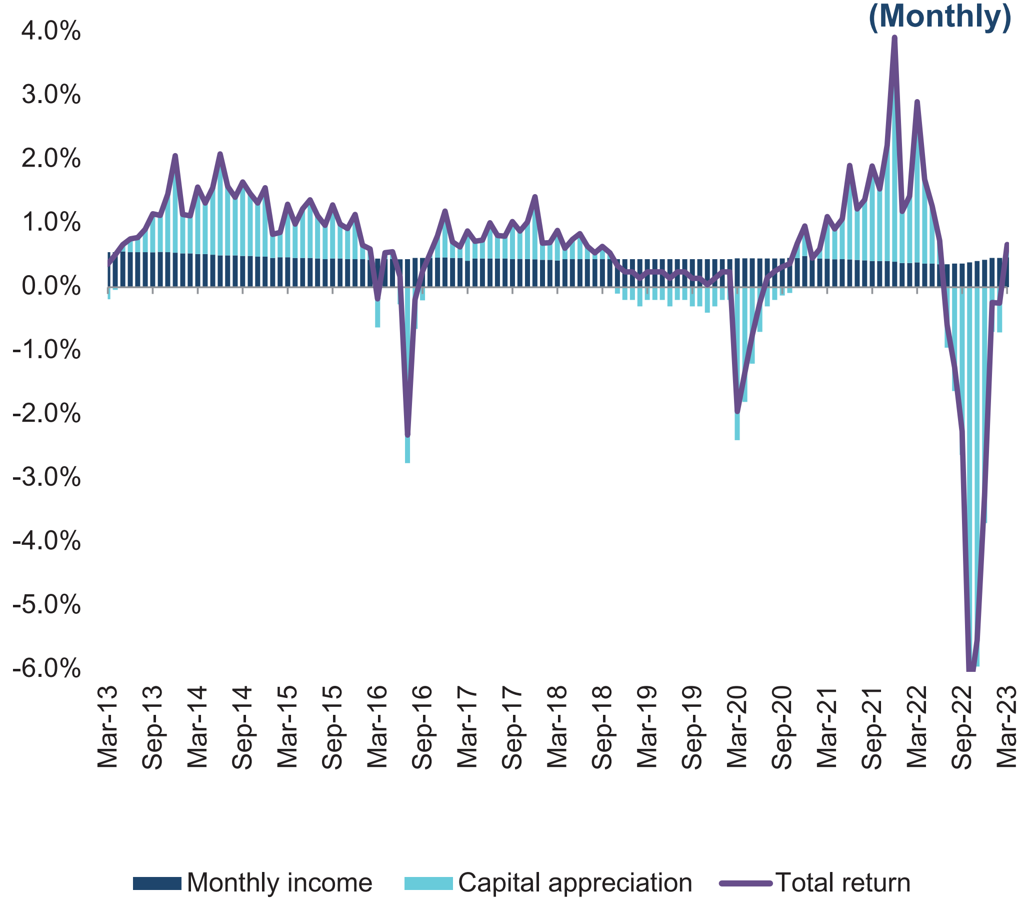
Total UK commercial property investment volumes reached £8.0bn for Q1 2023, which is c.38% down on the 5-yearly quarterly average but a 2% increase on Q4 2022. As with Q4 22, reduced transactional volumes are to be expected, given prevailing pricing volatility through the period. Negative sentiment prevailed through the quarter, but confidence began to return through March, as pricing levels stabilised. We are aware that significant capital remains available for investment, subject to pricing fully reflecting interest rate / funding cost expectations. Liquidity remains strongest for smaller lot sizes which attract a diverse active pool of domestic and overseas investors.

Returns

Total returns for UK Real Estate turned positive in March 2023 for the first time since June 2022, resulting in a 0.2% total return for Q1 23 as represented by the MSCI UK Monthly Property Index. Whilst all-property capital values declined -1.2% q/q, the market delivered an income return of 1.4% q/q, which highlights the assertive positive income attributes of UK Real Estate.

The return of capital growth in March follows an 'All Property' cumulative peak-to-trough capital value fall of 23%. The market has seen increasing sector performance divergence, with values increasing in the industrial, retail warehousing and some alternatives sectors, but continuing to fall for offices. Retail warehousing was the best performing sub-sector, delivering capital growth of 0.5% q/q, as investors recognise the robust occupational resilience of the sector. Following a quarterly decline of -20.3% in Q4 22, the industrial sector saw values stabilise at -0.8% for Q1 23.

10-year UK Commercial property total returns (Monthly)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q1 2023 report as at 31 March 2023.

Market Context

Market Commentary (continued)

Offices recorded capital value declines of -3.1% q/q as the market continues to react to challenges of hybrid working trends and heightened risks of obsolescence. “Other” assets, such as residential and student housing, recorded positive capital growth of 0.1% q/q, avoiding much of the capital volatility experienced in the traditional core sectors.

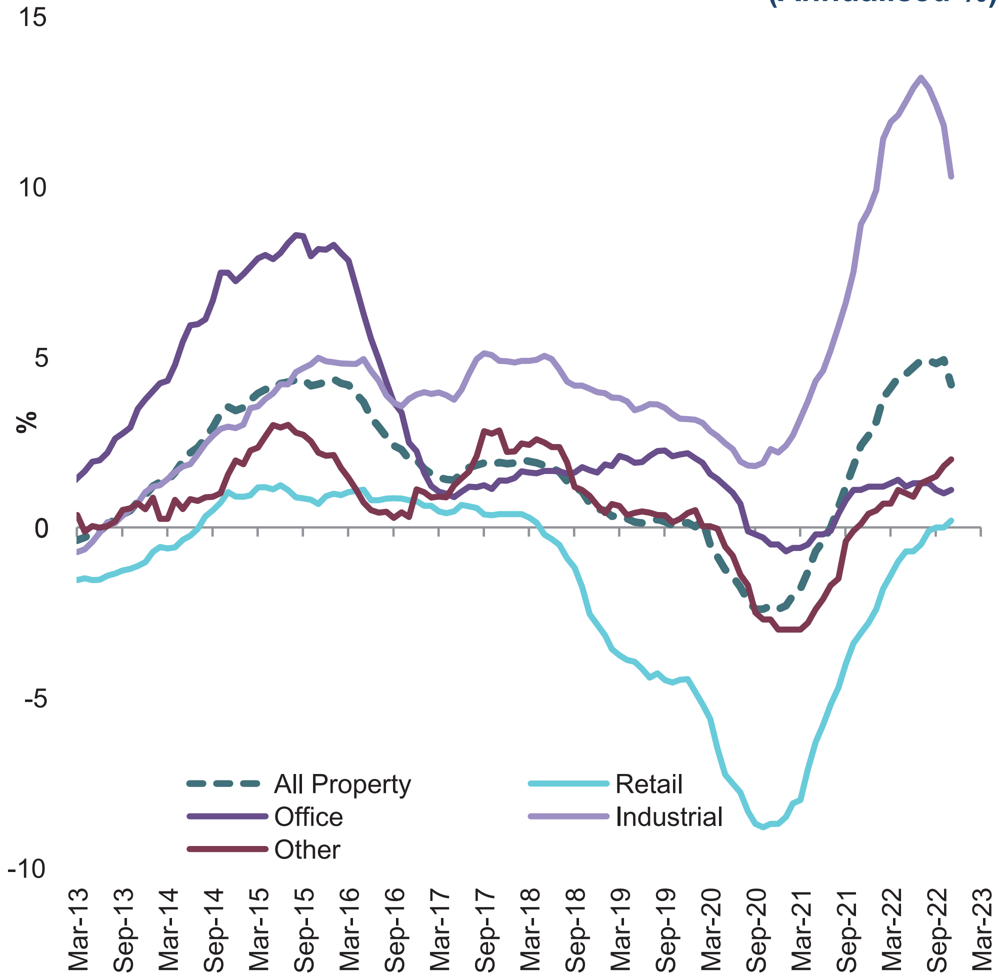
Occupational trends

Despite the macro-economic challenges, core occupier markets have continued to demonstrate underlying resilience. The industrial sector recorded positive rental growth of +1.8% q/q and +8.6% y/y, in recognition of the continued occupier demand and severely constrained supply. The retail sector saw rental values return to positive growth of +0.2% q/q driven by retail warehousing rental growth of +0.4% q/q. Despite the structural impact of a change in working behaviours post-pandemic, offices rents remain positive, delivering rental growth of +0.3% q/q, predominantly driven by low levels of supply and Central London rental performance.

Outlook

The “All Property” Net Initial Yield at the end of March 2023 increased by 9bps over the quarter to 5.2%, which is saliently less than the 70bps outward movement experienced in Q4 22. While primitive indications of a capital value recovery are evident, the asset class will not be immune to persistent inflationary pressure and subsequent monetary policy responses. High conviction sectors such as industrials and retail warehousing will continue to benefit from structural societal trends. A stable occupational market characterised by sustainable rental income and low vacancy rates, and very modest levels of debt by historic standards, should enable performance to remain positive on a relative basis. The extensive re-basing of capital values witnessed through H2 2022 and Q1 23 arguably provides an attractive entry point for investors considering allocations to the sector.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q1 2023 report as at 31 March 2023.

Fund Overview – Q1 2023

Material Changes

- The Fund's Prospectus was updated effective 31 January 2023 to reflect the introduction of a new Strategic Partner unit class.
- The Fund's Prospectus was updated effective 30 September 2022 to clarify its management approach with regard to operational Net Zero carbon emissions and environmental characteristics.
- 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 £58.6m equivalent to 5.4% of NAV (5.8% 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

- In response to an increase in realisation requests received in Q422, the Fund accelerated its disposal programme of non-core assets, deemed sub-scale and/or where capital expenditure is deemed uneconomic. The Fund also took the opportunity to capitalise on residual market liquidity for logistics, via disposal of non-core regional industrial assets.
- The Fund sold 23 assets during the quarter, delivering total sales of £127.1m, capitalising on liquidity for smaller lot sizes.
- Highlights included the disposal vacant offices in Weybridge and Epsom for a combined sales value of £5.95m, achieving average valuation premiums of c.15%. The Fund also disposed of The Millennium Centre, Farnham for £6.5m reflecting a net initial yield 9.6%. The property comprises a multi-let office with a short WAULT to break of 3.2 years, presenting void and capex risk. The sale price reflected a 4.8% premium the latest independent valuation.
- Realisation requests stabilised into Q1 2023, and sales have consolidated the portfolio around core assets anticipated to deliver strong relative performance on a forward looking basis.

Rent Collection

- Rent collection for the forthcoming quarter stands at 97.7% (as at Day 28).

Key Performance Indicators

- **Financial:** The Fund delivered a total return of -0.2% for Q1 23, performing in line with its benchmark. The annualised total return at the end of March stands at -13.8%, which is +0.7% over benchmark. The Fund's total returns continue to be supported by a high relative distribution yield of 4.8%, 37% above the benchmark level of 3.5% as of 31 March 2023.
- **Environmental:** The Fund completed 25 refurbishment projects over the 12- months ending 31 March 2023, 91.4% of which (by value) delivered EPC 'B' or better. Like-for-like energy consumption on the landlord-managed portfolio for the period ending 31 December 2022 was -18.0% below full year 2019.
- **Social:** In Q4 2022 the Fund undertook a Social Value pilot on 30 of its assets.

Attribution

- Over 12 months ending 31 March 2023, the fund's directly held property assets generated relative total returns +1.0% against the broader property market. This was achieved through a positive relative income return of +0.9% and positive capital value growth of +0.1%. The fund's retail assets performed better than the wider market by +3.8%, delivering a total return of -4.6%. Offices, however, underperformed by -3.8% relative to market, producing a total return of -16.5%. The Fund continues to take a pro-active approach to capital expenditure required to retain and enhance the long term value and deliver environmental improvements from its office portfolio, which is reflected in these figures. The Fund's Industrial assets delivered total returns of -18.7%, which outperformed the market by +3.5%. (Source: MSCI, TPUT directly held assets compared to the MSCI UK Monthly Property index).

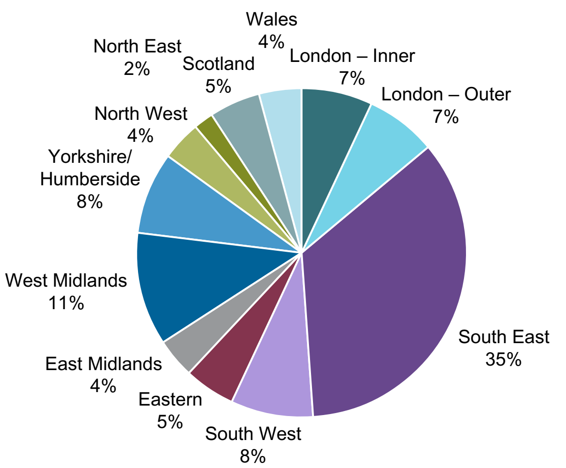
Outlook

- With the downward pressure on capital values beginning to stabilise, UK Real Estate continues to offer attractive relative performance against other asset classes. We continue to believe the Fund is well placed to capture long-term sustainable growth through its focus on actively and responsibly managing property assets to generate a high and durable-income yield advantage from a diverse asset and tenant base. The Fund's property assets currently offer a Net Initial Yield of 5.9% against 5.1% 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.

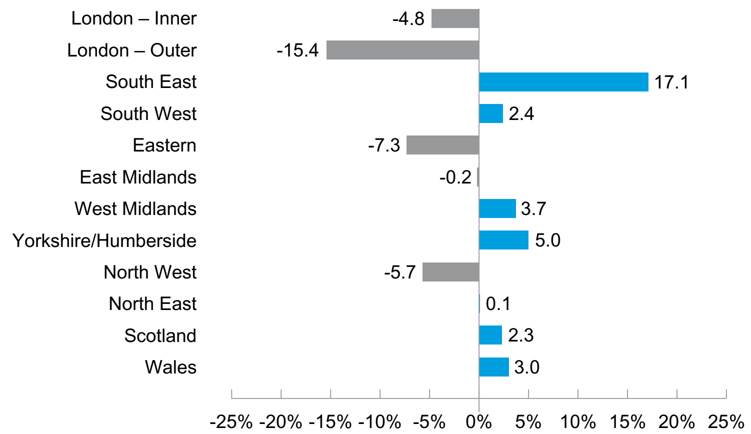
Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and AREF UK Quarterly 'All Balanced Open-Ended' Property Fund Index, 31 March 2023

Property Portfolio Sector and Geographical Positioning

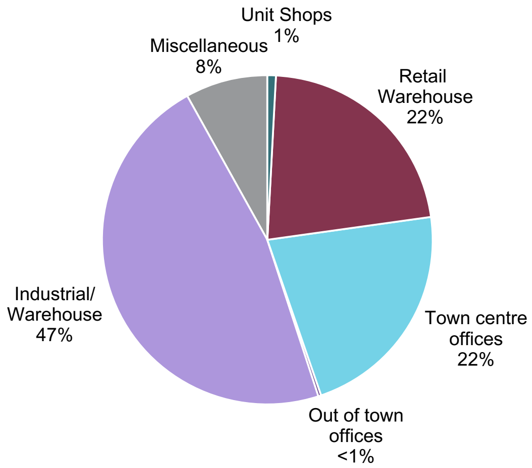
Property portfolio weighting – geographical split



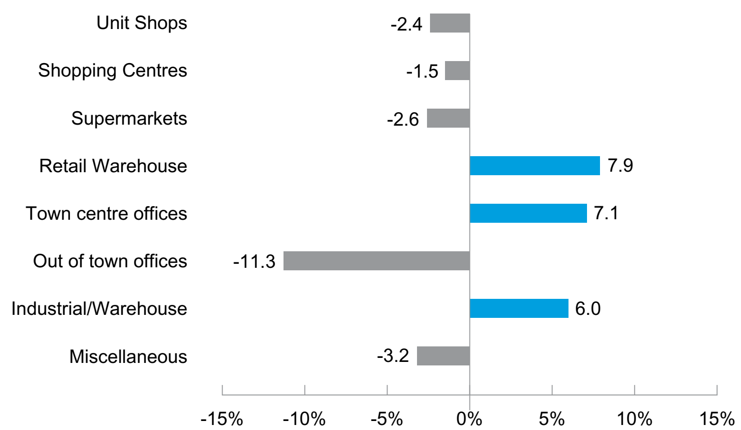
Relative portfolio weighting (%) versus MSCI Monthly Index



Property portfolio weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

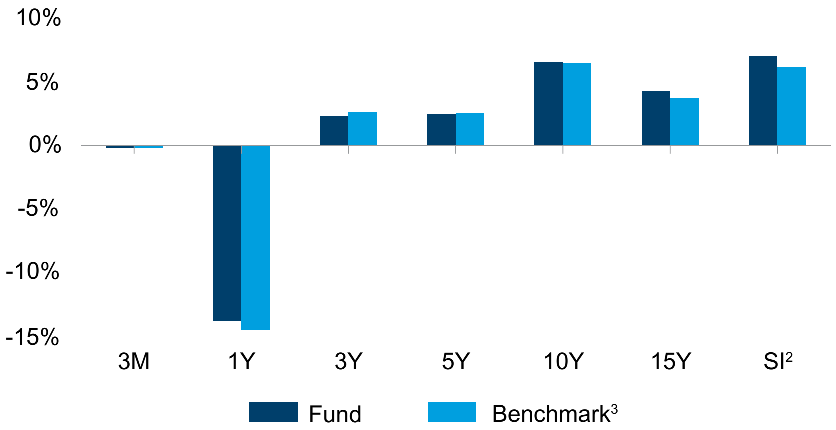


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 March 2023

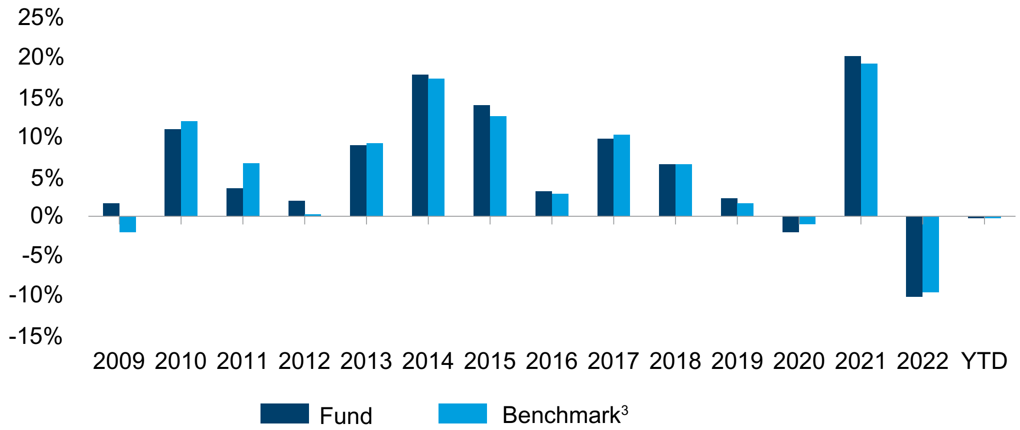
Fund Performance

Long Term Performance

Discrete periods[1]



Calendar Years



Fund Performance — Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	-0.2	-0.2	-13.8	2.3	2.4	6.5	4.2	7.0
Benchmark**	-0.2	-0.2	-14.5	2.6	2.5	6.4	3.7	6.1
Relative (Arithmetic)	0.1	0.1	0.7	-0.3	-0.1	0.1	0.5	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	25-50
Trowbridge	Spitfire Retail Park	Retail Warehouse	25-50
London W1	46 Foley Street	Town Centre Offices	10-25
York	Foss Islands Retail Park	Retail Warehouse	10-25
Hampton	Kempton Gate	Industrial / Warehouse	10-25
Cardiff	Newport Road	Retail Warehouse	10-25
Coventry	Skydome	Miscellaneous	10-25
London SW1	Warwick House	Town Centre Offices	10-25
High Wycombe	Stirling Road	Industrial / Warehouse	10-25
Rugby	Swift Point	Industrial / Warehouse	10-25

Tenant

	% of rents passing
B&M European Value Retail S.A.	3.8
Tesco PLC	2.8
Currys PLC	2.3
Travis Perkins PLC	2.1
Norton Group Holdings Limited	1.8
Tempur Sealy International Inc.	1.8
Pets At Home Holdings Limited	1.7
AMC Entertainment Holdings Inc.	1.6
ACI Worldwide Inc.	1.6
Envy Post Production Limited	1.4

Source: Columbia Threadneedle Investments as at 31 March 2023

Investment Activity – Key Purchases and Sales Over Q1 2023

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
Handrian Industrial Park, North Tyneside, Newcastle	Q1 2023	Industrial	0-2.5	–
Sales				
Charlies Stores, Stephen's Way, Carmarthen	Q1 2023	Retail Warehouse	2.5-5	6.8
Rugby, Unit E Swift Park	Q1 2023	Industrial / Warehouse	5-10	–
Redditch, Arrow 2	Q1 2023	Industrial / Warehouse	5-10	–
Droitwich, Hampton Lovett Ind Estate	Q1 2023	Industrial / Warehouse	5-10	–
Southampton, Whitbread Centre	Q1 2023	Industrial / Warehouse	10-25	–
Falcon Court, 8-10 Huntsman Drive, Irlam M44 5EG	Q1 2023	Industrial / Warehouse	0-2.5	3.9
Units 20-23 Monmer Close, Willenhall, Walsall, WV13 1NS	Q1 2023	Industrial / Warehouse	0-2.5	7.0
Old Mill Business Park, Mill Lane, Godlaming, GU7 1EY	Q1 2023	Town Centre Offices	5-10	12.2
Jupiter & Juniper House, Warley Hill Business Park, Warley, Brentwood, CM13 3BE	Q1 2023	Out of Town Offices	5-10	12.2
Archipelago Office Park, Lyon Way, Frimley, GU16 7ER	Q1 2023	Out of Town Offices	5-10	12.2
786 Fishponds, Bristol	Q1 2023	Miscellaneous	0-2.5	7.9
DX Network Services Unit A3 Foxbridge Way, Normanton WF6 1TN	Q1 2023	Industrial / Warehouse	2.5-5	5.8
Stockton Heath, Victoria Buildings	Q1 2023	Miscellaneous	5-10	9.9
Millennium Centre, Farnham	Q1 2023	Town Centre Offices	5-10	7.0
Leeds, Benyon Park Way	Q1 2023	Industrial / Warehouse	5-10	6.5

Investment Activity – Key Purchases and Sales Over Q1 2023

Property	Quarter	Sector	Price (£m)	Net Initial Yield
The Wells, Epsom	Q1 2023	Town Centre Offices	2.5-5	–
Guildford - 1-5 Trinity Gate	Q1 2023	Unit Shop	2.5-5	9.7
Bromley - 132/144 High Street	Q1 2023	Unit Shop	5-10	9.0
Unit C1, Farnborough, Southwood Summit Centre	Q1 2023	Industrial / Warehouse	5-10	5.7
Preston, Guild Trading Estate	Q1 2023	Industrial / Warehouse	2.5-5	6.7
58 Church Street, Weybridge	Q1 2023	Town Centre Offices	2.5-5	7.5
Crow Lane Ind Park, Northampton	Q1 2023	Industrial / Warehouse	5-10	6.3
Bristol, 10 Queens Square	Q1 2023	Town Centre Offices	5-10	–

Source: Columbia Threadneedle Investments as at 31 December 2022
Figures reflect headline prices and topped up rents where rental top ups provided by vendor.

Responsible Investment: key business initiatives

Delivering positive outcomes

Policy Statement

- 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

Governance

- 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

Environmental

- 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

Net Zero

- 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

Social

- 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

Reporting

- 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:
  - 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.

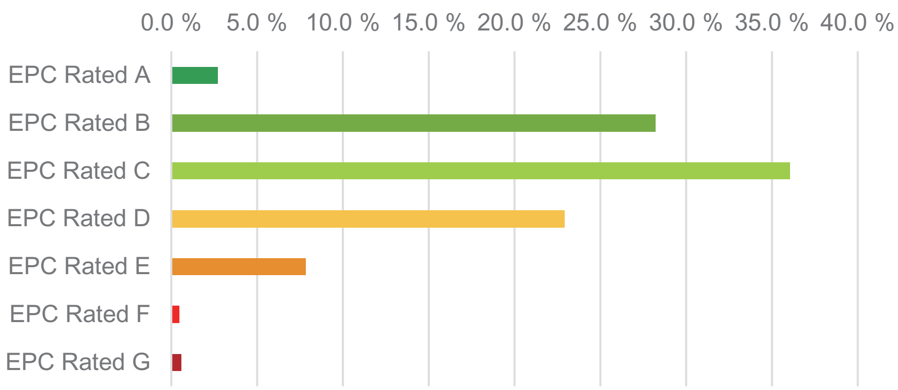
Responsible Investment: environmental

Sustainability Dashboard – quarterly performance metrics

Property infrastructure: EPCs
Target EPC 'B' by 2030

Key performance metrics	
Portfolio coverage (whole portfolio, % ERV)	99.0%
Works projects completed (past 12 months)	25
Refurbishments delivering 'B' or better	91.4%

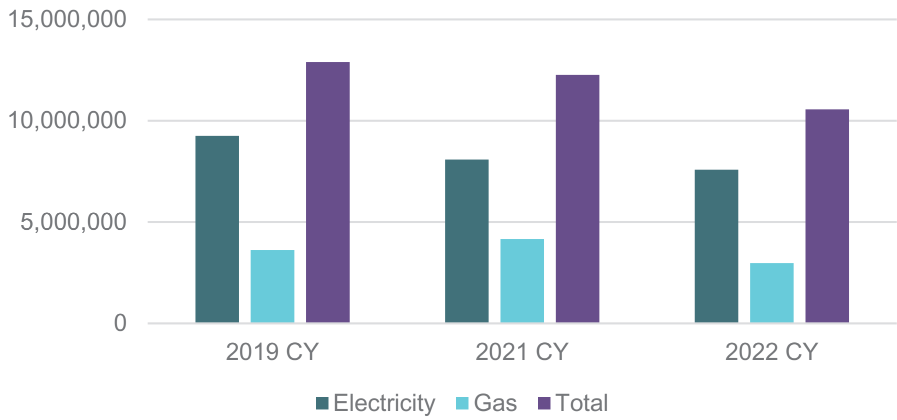
EPC distribution by ERV



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

Key performance metrics	
Portfolio coverage (LL managed portfolio, % floor area)	87.7%
Energy consumption change L-f-L Y-on-Y	-13.8%
Energy consumption change vs baseline*	-18.0%

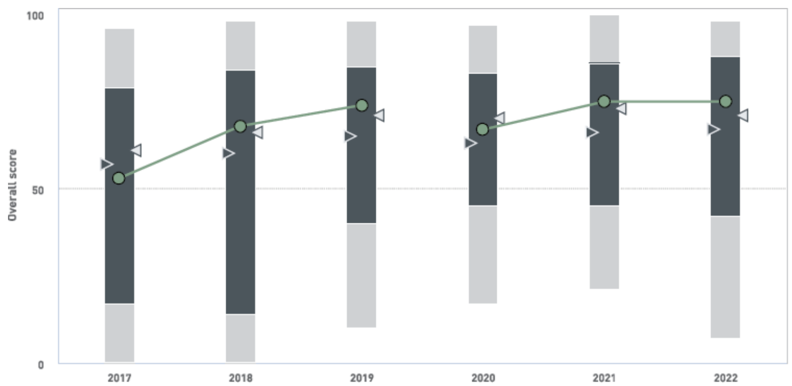
Landlord Portfolio Like-for-Like Energy Consumption



Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 31 March 2023. Refurbishments delivering EPC B or better expressed as % contract value excluding works which have no impact on EPC (e.g. redecoration). Energy data as at 31 December 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. 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



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

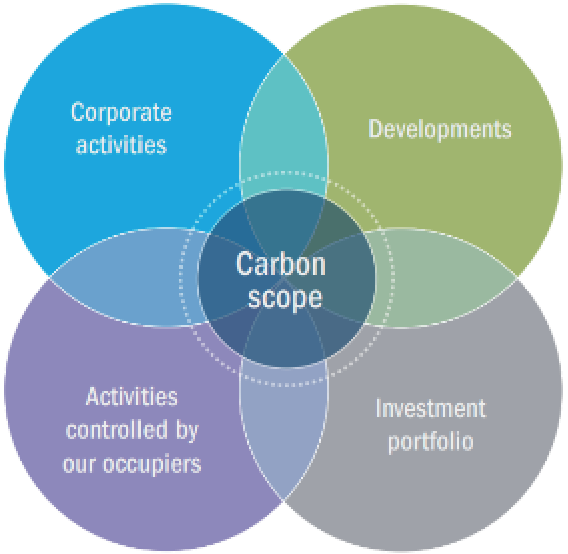
UK Real Estate commitment to decarbonise our portfolios

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.

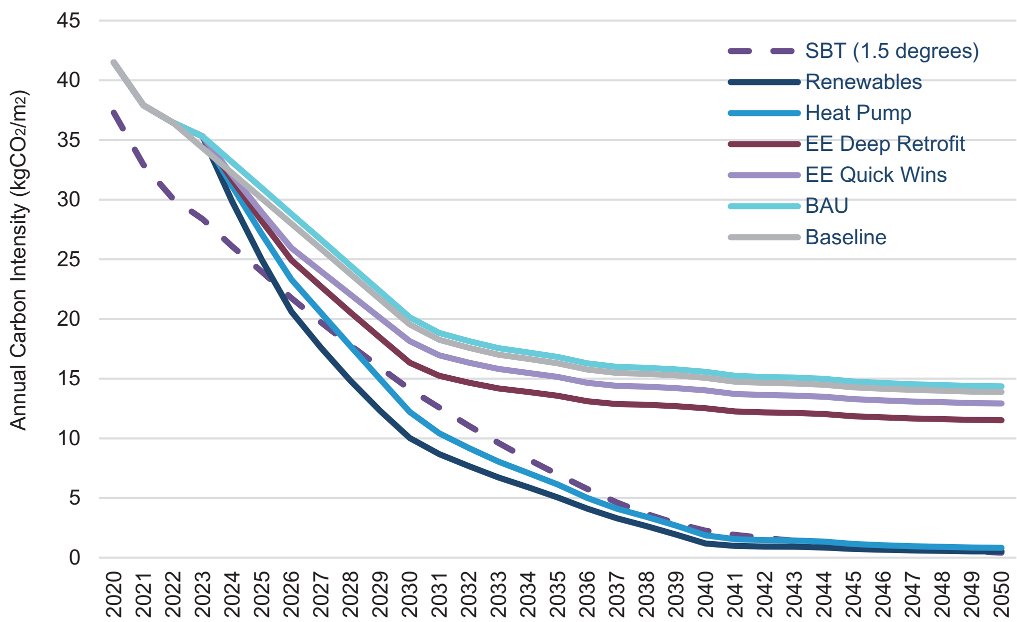
Responsible Investment: Net Zero carbon

Formally committed to operational Net Zero by 2040

Impact of interventions on energy use

Interventions	EVORA Modelled timeframe	EVORA Modelled cost	EVORA Modelled energy use change
Business as usual	2022-40	–	26%
Quick wins	2023-26	£1.7m	7%
Major asset refurbishment	2023-30	£20.5m	6%
Renewables (PV)	2023-30	£27.8m	17%
Electrification of heat	2023-45	£40.4m	11%
Cumulative cost & saving impact		**£90.5m / £5.3m p.a.**	**67%**
Offsetting	2040	£0.2m p.a.	Residual

Portfolio annual carbon intensity



- Net Zero pathway completed in October 2021 and updated February 2022 and February 2023
- Due to the replacement of gas with electricity, a 67% reduction in energy use equates to a **93%** reduction in carbon intensity*
- Between 2017-2021 the Fund completed **128** capital projects investing an average **£8.7 million** per annum in building improvements
- Project cap ex investment increased to **£13.6 million** to 31 March 2023, with **91.4%** of reprojects by value delivered EPC 'A' or 'B' ratings

Source: EVORA CTI TPUT Fund Decarbonisation Pathway Update, 1 March 2023. *energy and carbon reductions expressed as % against 2022 baseline. Project Capital expenditure source: Columbia Threadneedle Investments, as at 31 March 2023. 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.

Realising latent value

Asset repositioning: monetising building improvements

St Albans: 21,250 sq. ft. office constructed in 1990

- £2.9 million asset refurbishment project designed to optimise whole carbon intensity over whole design life
- Delivered EPC 'A' rating, Air Rated and BREEAM 'Very Good' certified

Glasgow: 39,000 sq. ft. retail warehouse

- £0.9 million refurbishment of 25,500 sq. ft. units A&B to facilitate new letting to Lidl: 20 years at £338,500 pa

Air 50, Wolverhampton: 51,000 sq. ft. industrial warehouse

- A comprehensive refurbishment focused on ESG enhancements including Solar Panels, EVC charging points and the removal of gas – total project cost £1.52m

Sheffield: 31,000 sq. ft. logistics warehouse

- Comprehensive refurbishment focused on ESG enhancements including Solar Panels, EVC charging and removal of gas: Total project cost £1.25m
- Pre-let to Transglobal for a 10 year lease (5th year break) at £260,000 per annum (£8.25 psf) reflecting a **48%** increase on the previous passing rent

Outcomes:	**Financial**	Rents achieved on project completions represent uplifts of between **28%** and **48%** on pre-refurbishment passing rents
	Environmental	Solar panels, removal of gas and introduction of EV charging typically deliver best in class EPC 'A' ratings
	Social	Projects used local contractors which directly supported local employment – as measured by National TOMs framework

Source: Columbia Threadneedle Investments, as at 31 December 2022. Capital value and rental statistics quoted correct as at time of project completion but are subject to change. *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	Q4 2022	Q1 2023
Property assets	184	173	168	167	165	163	145	123
Rateable units	841	804	775	755	749	735	681	582
EPC coverage (% rateable units)	96.8%	97.8%	98.8%	97.6%	98.9%	99.3%	99.3%	99.7%
EPC rated A (% rateable units)	0.4%	0.5%	0.6%	0.7%	0.7%	1.6%	1.8%	2.6%
EPC rated B (% rateable units)	16.3%	16.9%	16.9%	17.7%	20.0%	21.8%	21.7%	23.2%
EPC rated C (% rateable units)	37.1%	38.7%	39.5%	38.4%	39.3%	39.7%	38.5%	41.2%
EPC rated D (% rateable units)	31.9%	30.3%	29.9%	28.7%	28.3%	26.7%	28.0%	24.4%
EPC rated E (% rateable units)	10.0%	10.2%	11.0%	11.1%	9.7%	8.8%	7.6%	6.5%
EPC rated F (% rateable units)	0.6%	0.5%	0.4%*	0.3%*	0.4%*	0.4%*	0.4%*	0.7%*
EPC rated G (% rateable units)	0.6%	0.6%	0.5%**	0.5%**	0.5%**	0.3%**	0.6%**	0.9%**

Source: Columbia Threadneedle Investments, based on % rateable units, as at 31 March 2023. * 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) ** two properties have units rated EPC ‘G’ and both are subject to planned refurbishment concluding in 2023. 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	*Not measured explicitly prior to 2021*			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	*Not measured explicitly prior to 2021*			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
Property assets	206	199	168	145
Low	164 (74.9%)	158 (75.1%)	135 (74.5%)	115 (74.2%)
Medium	33 (21.6%)	32 (21.3%)	27 (22.3%)	24 (22.1%)
High	5 (2.2%)	5 (2.1%)	3 (1.7%)	5 (3.1%)
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 (sold – Q1 2023)
	Redhill, Red Central
	Galashiels, Gala Water Park
	London E10, Lea Bridge Road
	Crucible Business Park, Worcester

Source: Columbia Threadneedle Investments, as at 31 December 2022. All data as at 31 December.
Notes: Two assets rated 'High Risk' sold in Q4 2021: Derby, 20-25 Albert Street and Bristol, 2 Zetland Road. Flood Risk Assessments commissioned on High / Extreme risk assets.
Physical Risk Screening Analysis undertaken November 2021 to compliment the above flood risk statistics and is available on request.

Risk Management Report – Threadneedle Property Unit Trust (TPUT) – March 2023

The key areas of risk impacting this fund as at the end of March 2023 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: 5.5%[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-March 2023: 16.57%[2]**
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: 3.80% 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: 12.12%[3]**
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: 8.7%**
Rental collection	Medium – Large number of properties with rental income focused on wide number of tenants.	Target: 95% of Rental Income to be collected within 21 days of quarter day	**Quarter ending March 2023: 95.64% collected at day 21.**
Counterparty	Low – Minimal Counterparty Exposure	No Maximum restriction within scheme.	**Deposits with single bank at end of quarter: 5.5% of GAV**
Leasehold interest	Low – Low incidence of short leasehold interest	Trust Deed: not more than 15% of NAV to comprise leasehold interests with less than 60 years unexpired.	**Value of leasehold properties with less than 60 years unexpired: Less than 1% of NAV**

[1] **Liquidity Risk** – End-March cash was 5.5% of pre-dealing GAV. After end-March redemptions were met, this reduced to c2.1%. This was a short-term position however, with end-April post-dealing cash raised back up to c6.5%.
[2] **Market Risk** – The property market suffered material valuation volatility in Q4 2022 driven by significant macroeconomic uncertainty. Valuation movements have returned to 'normal levels' since, with this lower volatility forecast to continue in the near-term.
[3] **Single Investor** – Increased investor level due to investor previously purchasing additional units in the Fund. Exposure level not a concern, but longer-term aim is to bring position back into compliance.

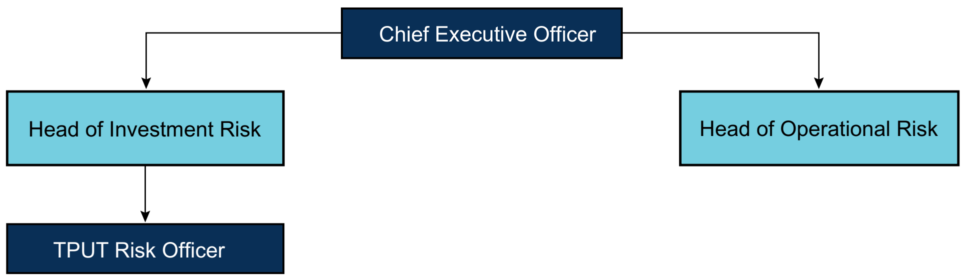
The Columbia Threadneedle Investments EMEA Property Risk Management System

The Threadneedle Property Risk Team is based in London and provides oversight risk management services to TPSL. It forms part of the Central Risk Management Team, which collectively provides risk management services to all Columbia Threadneedle 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.

The Risk Team:

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

A structure chart of the 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:



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

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

Data is monitored in conjunction with the investment rationale for the fund to ensure that the risks faced by the fund are assessed adequately and controlled appropriately.

The Risk Team is responsible for overseeing that the provision of data to the TPUT Risk Officer, risk analysis and recommendation is reliable, timely and accurate.

Material Changes

During the quarter no material changes have occurred.

Kevin Mundy
Jersey Risk Officer
March 2023

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.

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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.

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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.

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