Threadneedle Property Unit Trust

Quarterly Report as at 31 March 2024

For Existing Investors only

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**
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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 911 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Bid	250.60
■ Offer	268.77
■ NAV	253.67

- 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
£911 million

Properties
98

Average lot size
£8.3 million

Gross rent roll
£53.8 million p.a.

Tenancies
465

Cash
10.7% (6.0%)*

Vacancy rate
9.9% (10.3%)

WAULT 4.8 years
(6.6 years)

GRESB Rating
76/100

%NIY

Net Initial Yield
6.2% (5.4%)

%EY

Equivalent Yield
8.1% (7.1%)

Total Return
0.5% (-0.7%)*
(12 months)

Past performance is not a guide to future returns.
Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index (figures in brackets) and *MSCI/AREF All Balanced Property Fund Index. Cash is net debt % NAV. Total return is 12-month net fund NAV to NAV return. All as of 31 March 2024. WAULT is an abbreviation of weighted average unexpired lease term. It is used by property companies as an indicator of the average remaining life of the leases within their portfolios. Note that cash reduces to circa 7.4% on settlement of end-March redemptions.

Market Context

UK Economy

Q1 2024

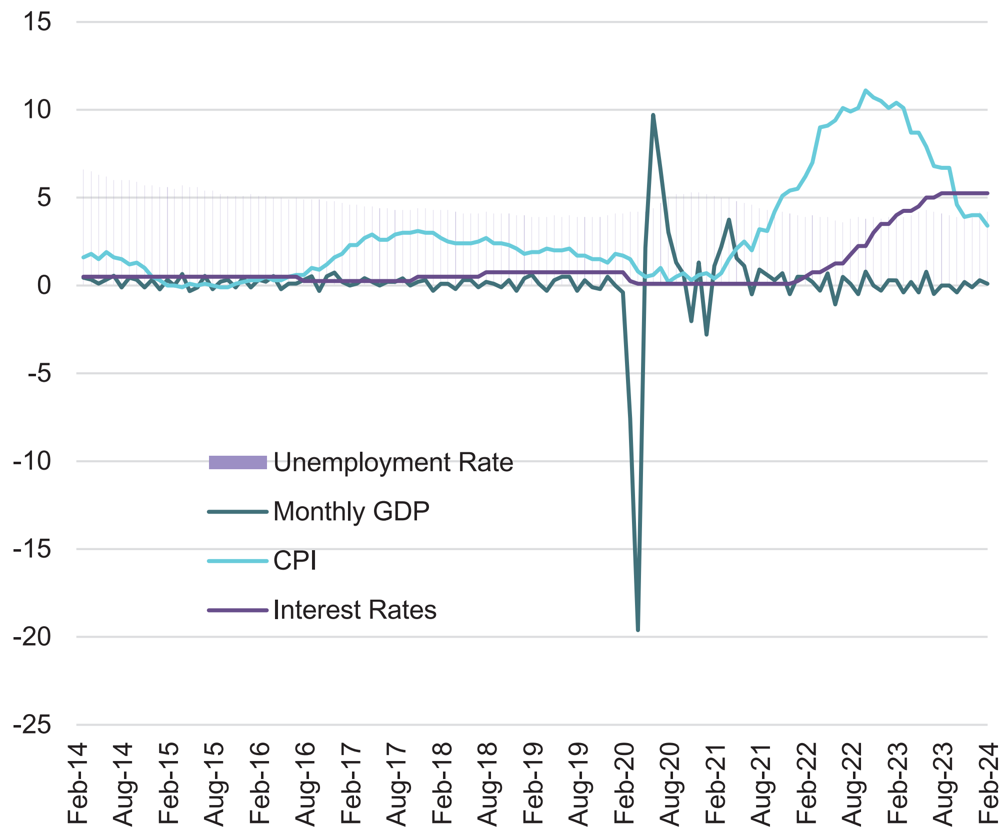
The Q1 24 preliminary estimate for UK GDP indicated the country has most likely exited the shallow technical recession it had seen at the end of 2023. GDP is estimated to have grown by 0.1% in February, following growth of 0.3% in January 2024, reversing most of the fall in output seen in late-2023. Headwinds remain as the higher interest rate environment continues to hamper economic growth.

Headline inflation rose by 3.2% y-o-y to March down from 4.0% in the 12 months to December. The slowing trend is likely to continue as energy and food price inflation drift downwards. Inflation is expected to return to close to the Bank of England's (BoE) 2.0% target in May and this is despite the Red Sea disruptions which may add 0.2ppts – 0.3ppts to inflation over the rest of this year due to higher shipping costs.

The BoE voted to hold the base rate at 5.25% at its last meeting in March as it continues to target lower inflation and bring the level closer to its 2.0% target. The downward trend could clear the way for a cut to the interest rate sooner than expected just a few months previously with market expectations having shifted towards the anticipation of a first rate cut by the second quarter of the year, possibly as early as June.

The labour market remains constrained by historical standards with unemployment at 4.2% in February, although falling response rates to the Labour Force Study has made the data increasingly unreliable. Average total pay (excl. bonuses) grew at an annual rate of 6.0% in the 3 months to December. Retail sales volumes were up 1.9% in Q1 although unexpectedly flat in March but, rising real household incomes should support retail activity as the year progresses.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2024. ONS data as at date stated.

Market Context

Occupier Market

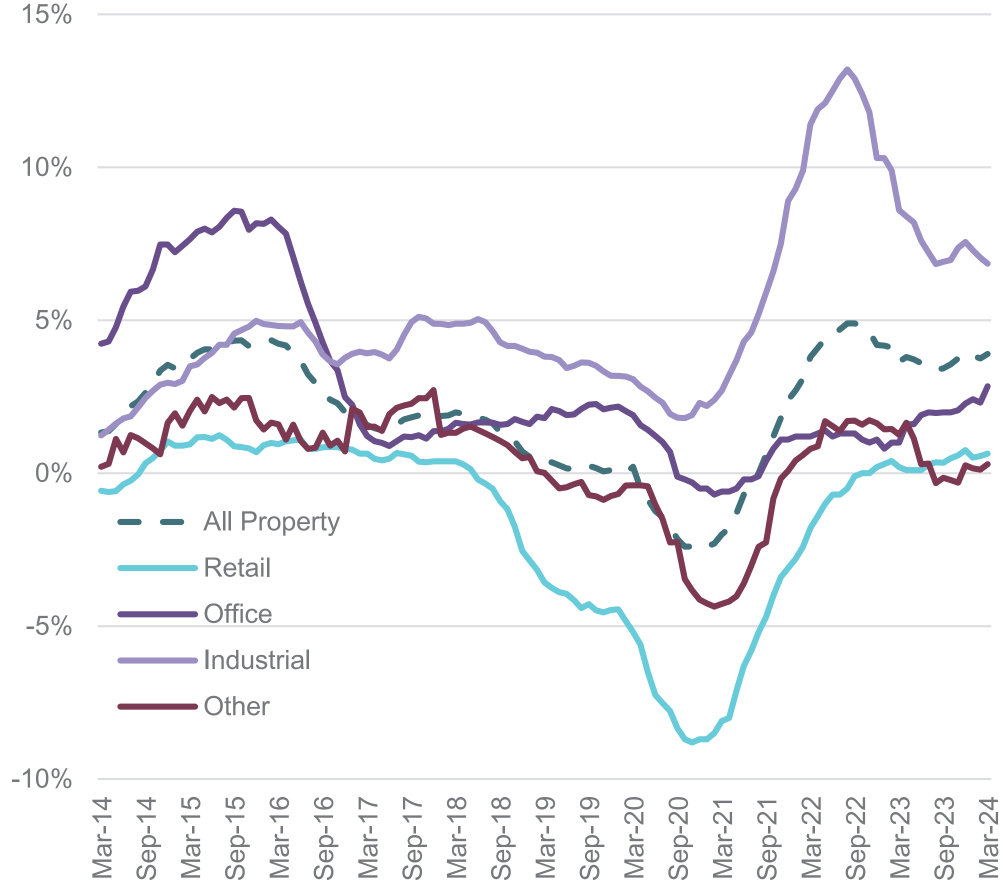
Q1 2024

The retail warehouse sector continues to attract strong investor interest. Vacancy rates are markedly lower for retail warehouses when compared to shopping centres or high street shops. Footfall has also proven to be more resilient than other areas of the retail sector, particularly for schemes with a more discount-oriented line-up. Appetite for the sector is not expected to change for the foreseeable future.

Positive rental growth is still being recorded in some low vacancy logistics locations across the country, but at levels much moderated from the record-breaking growth seen through the years immediately post-covid. Despite weaker overall occupational demand which will feed the slower upswing in rents, some of this will be offset by the slowing development pipeline. Newly delivered stock will contribute to an increasingly polarised rental market and a widening gap between prime and secondary rents as occupiers chase the best quality space, both new-build and refurbished secondary and stock with ESG credentials

Sentiment towards the office sector remains very weak, as the sector grapples with new working habits and a weaker economic backdrop. The vacancy rate in both London and key regional cities has been rising over the past twelve months, but the rate of increase is beginning to slow. This is partly due to developers scaling back on schemes, especially speculative schemes where financing is much harder to obtain. Construction costs are still elevated, and the situation will hold back the much-needed high-quality supply in 2024 and 2025. Landlords are scrutinising their portfolios to identify schemes that have sufficient existing EPC ratings and those projects that could be easy wins in terms of upgrading and/or refurbishment. There is less willing to take on offices that require substantial upgrades given the high cost of capital expenditure.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2024

Market Context

Investment Market

Q1 2024

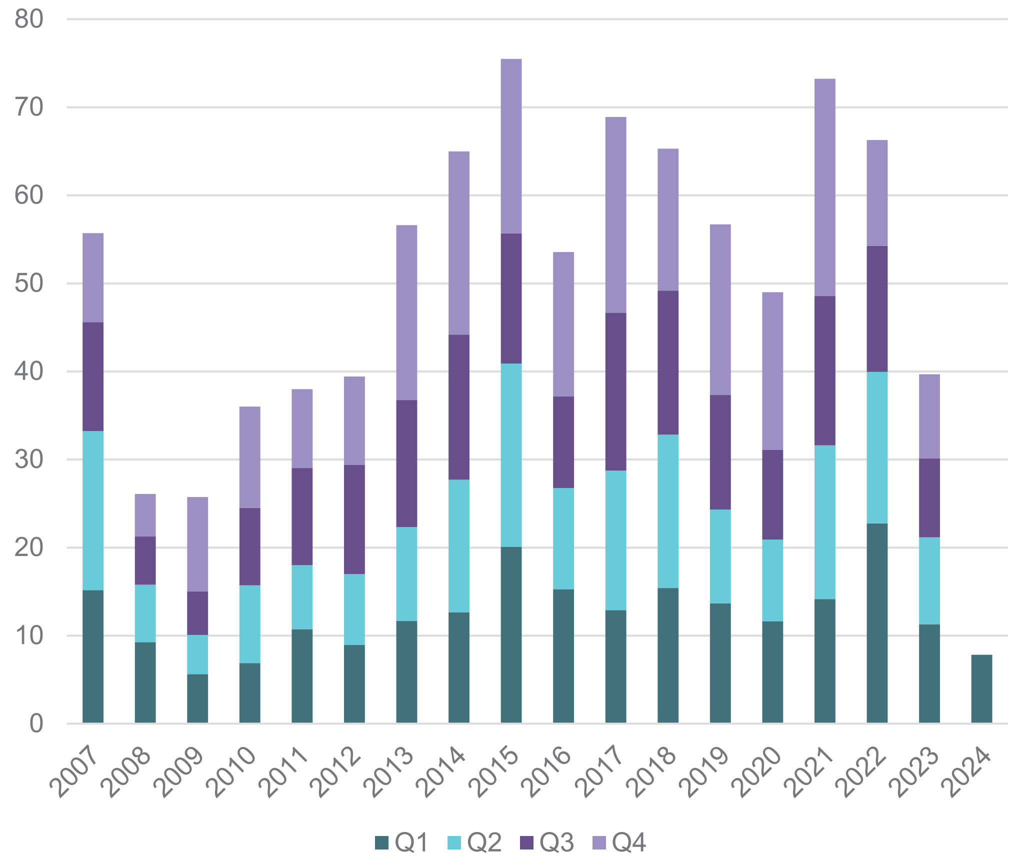
Preliminary estimates for Q1 24 investment activity showed a volume of c.£8.5BN, c.10% below Q4 23 volumes. Capital value declines have moderated for favoured sectors, with pricing expected to bottom-out through mid-2024 with retail warehousing perhaps the lead indicator of nascent pricing recovery. Some further asset repricing is anticipated in non-favoured sectors, for example offices where vacancy continues to rise. Attractive buying opportunities exist for investors brave enough to transact in an environment which does not yet offer full transparency.

Challenges remain as the market adapts to investing and financing in a higher interest rate environment. The days of ultra-low interest rates seen over the last fifteen years or so are behind us and rate-setters have indicated that markets should now expect a period of 'higher for longer'.

Nonetheless, the uptick in investment volumes in the final quarter of 2023 is hopefully the beginning of generally a healthier appetite and positive outlook for real estate across 2024, although momentum is expected to be slow to gather pace. Some of the opportunity will come from landlords needing to refinance and are facing much higher debt costs thus bringing more, good product to the market.

The underlying investor base continues to evolve as UK pension funds, estimated to account for c.£70BN of assets, gradually disinvest some of this from real estate. Meanwhile, the allocation of private equity into closed-ended real estate funds is expected to replace some of this with an estimated global aggregate of dry powder amounting to c.$400BN.

UK investment volumes (GBP bn)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2024, MSCI Real Capital Analytics Q1 2024

Market Context

Returns & Outlook

Q1 2024

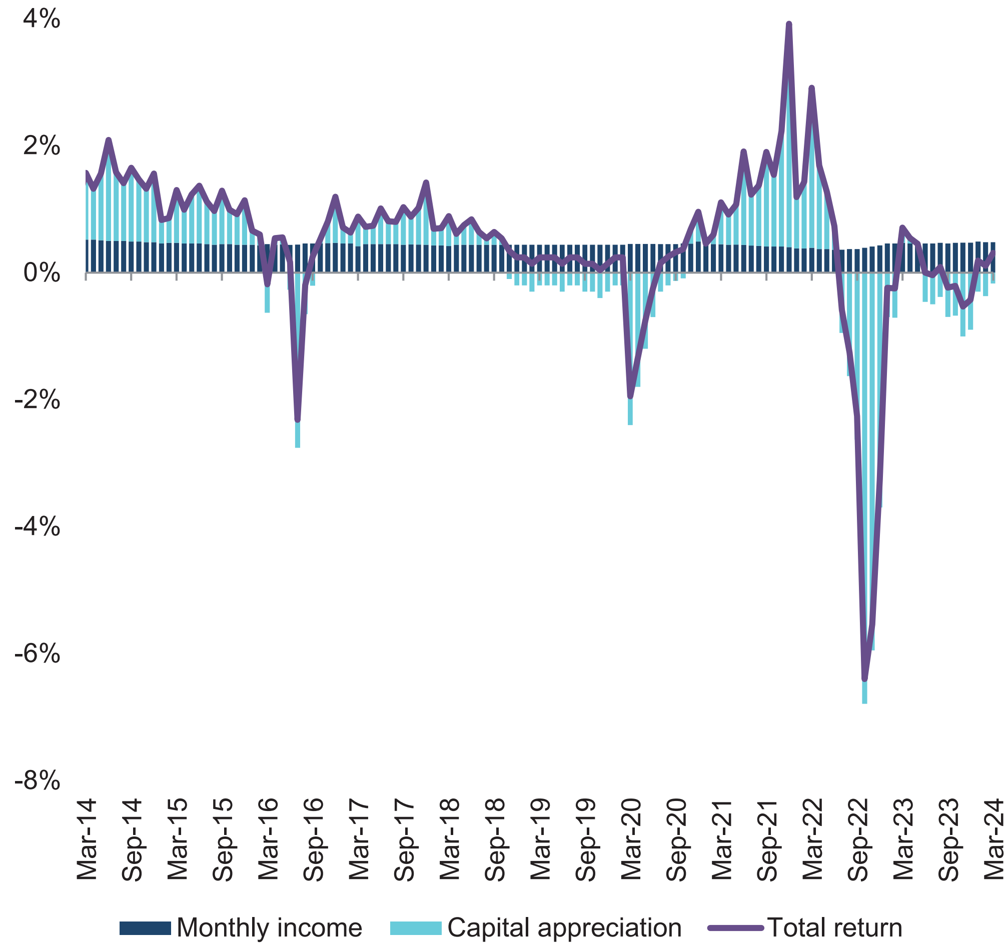
Total returns for the UK commercial property market turned positive in Q1 24 with the MSCI UK monthly index recording a return of 0.6% (0.3% on a 12-month basis to March). Retail was the standout sector and the best performing with a total return in the three months to March of 1.5%. Offices continued to struggle and were the only sector to register a negative total return performance in the first quarter of -1.4%.

All property capital values declined by -0.8% in the quarter and recording a -5.3% decline on a 12-month basis. Despite the ongoing economic headwinds, income returns remained positive in Q1 24 at 1.5% (5.8% on a 12-month basis), demonstrating the resilient income credentials that underpin the UK commercial property market.

Income returns will underpin the expected improvement in total returns whilst yield-driven capital growth is likely to be limited, at least short to medium term. This will drive the continued divergence in performance across property types. Over time the benefits of looser monetary policy will drive on activity, but the impact is unlikely to be seen fully until 2025. 2024 will continue to see the impact of the 515 basis points worth of tightening since late-2021 feed through to the real economy.

The all-property' net initial yield as at the end of March 2024 was 5.6%, increasing marginally from 5.5% in Q4 23. With the era of ultra-low interest rates behind us there is some further value correction to come, although expected to bottom-out by the middle of the year. This alongside more conservative LTVs, increased margin costs and potentially elevated rates of under- and non-performing loans could see increased instances of bank-forced sales, creating further opportunity for market dislocation.

UK commercial property monthly total returns



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, as at 31 March 2024.

Market Context

Real estate context: state of the market

Key sector metrics as at end March 2024

Trending key:
- Strengthening
- Stable
- Weakening

	Industrials	Offices	Retail	Alternatives
Headlines	Development pipeline slows further, exacerbating the lack of quality supply	Sentiment remains weak but vacancy is beginning to plateau but at elevated levels	Strong investor and occupier demand for out-of-town schemes but options limited	Structural and demographic changes favour 'Beds' and 'Meds'
Vacancy* (By Market Rent)	6.9% (Stable)	22.8% (Weakening)	6.2% (Stable)	2.3% (Strengthening)
Rental Growth* (Annualised)	6.9% (Weakening)	2.8% (Strengthening)	0.6% (Stable)	4.1% (Strengthening)
Prime Yield Pricing** (Net Initial Yield, rack rented)	Distribution 5.25% (Stable)	London (City) 5.75% (Stable)	Warehouse 6.00% (Strengthening)	Student 5.00% (Stable)
	Multi-let 5.25% (Stable)	Regions 6.50% (Weakening)	High Street 7.00% (Stable)	Leisure 8.00% (Stable)
Allocation	Favour multi-let and mid-box logistics. Neutral big-box distribution	Highly selective: favour urban centres with good amenity and accessibility	Favour out-of-town warehouses / parks Underweight in-town	Favour, strategic land, 'meds' and residential including student housing

£ **Finance:**
5-year Gilt: 3.8%
5-year Swap: 3.8%

% **Real estate*:**
NIY: 5.6%
EQV: 7.1%

Spread: 3.3%
(5-year Gilt to EQV)

Source: *MSCI UK Monthly Property Index (Alternatives data is unweighted average Hotels, Residential, Other), as at 31 March 2024. **CBRE Prime Yields and trends, March 2024.
Trends against average of prior 6-months (+/-<0.25% denotes stable)

Fund Overview – Q1 2024

Material Changes

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

Liquidity

- The fund continues to maintain a robust liquidity position with gross cash of £96.7m equivalent to 10.6% of NAV (10.7% on the AREF net debt methodology). This reduces to circa 7.4% following settlement of end-March redemptions.
- 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

- The Fund completed £61.7m of sales in Q1 24 across five transactions, including a portfolio sale of three assets. Two of the sales (c.£8m) were offices, continuing the long-term strategy of eliminating exposure to non-core offices which present a high void and obsolescence risk. The remaining sales consisted of five industrial assets, capitalising on a depth of market liquidity to assist the Fund's endeavours to increase its cash position to meet notified redemptions, whilst also balancing sector weightings.
- Premus, Aylesbury was the highlight sale of the quarter at a sale price of £12.5m reflecting a net initial yield of 5.5% and premium to valuation of 1.6%. The property comprised a multi-let industrial estate of seven units with poor sustainability credentials (EPCs of C-D) and average rents of circa £8.50 psf. Three occupiers had indicated an intention to vacate at the next lease event, with two of such events falling in the next 18 months, requiring landlord capex to upgrade the unit specifications to monetise rental uplifts.
- The Fund made two office sales during the quarter, reducing its office weighting from 21.9% in Q4 23 down to 19.4%. The highlight sale was Magna House, Staines which comprised a 26,810 sq ft office with a 40% vacancy rate within a challenging local occupational market. The sale price of £3.77m reflected a triple net initial yield of 2.6%. Whilst the sale price represented a headline 12.5% discount to the latest independent valuation, the sale assists with the Fund's efforts to increase its cash liquidity position and reduces exposure to the structurally challenged Southeast office sector.
- Asset management highlights include an Agreement for Lease signed with M&S at Three Lakes Retail Park, Selby which will be their flagship food-hall in the town. M&S are considered a significant draw for other occupiers and in anticipation of M&S committing to the park, the Fund secured proposed terms with two other operations, which, taken together, will generate an anticipated profit on capital invested of c.33%.
- The Fund continues to take a proactive approach to capital expenditure to retain and enhance long term value, and to deliver environmental improvements from its portfolio.
- Rent collection for the forthcoming quarter stands at 96.9% (as at Day 21).

Key Performance Indicators

- **Financial:** Fund performance returned to positive territory in Q1 2024, delivering a total return of 0.5% for the quarter, in line with its benchmark. The annualised total return at the end of March 2024 stands at 0.5%, which is +1.2% over benchmark. The Fund's total returns continue to be supported by a high relative distribution yield of 5.7%, 35% above the benchmark level of 4.2%, as of 31 March 2024.
- **Environmental:** The Fund completed 19 works projects over the 12 months ending 31 March 2024, with 79.4% by value delivering EPC A/B. The Fund's refurbishment of Thomas Road High Wycombe, incorporating a high coverage of PV panels, delivered the first EPC A+ rating.
- **Social:** On four major projects (>£1m) completed over the 12 months ending 31 March 2024, the Fund delivered in excess of £1.5m social value, according to the TOMs methodology, through a combination of investments in local labour and supply chains.

Attribution

- Over the 12 months ending 31 March 2024, the fund's directly held property assets generated relative total returns +1.8% against the broader property market. This was achieved through a positive relative income return of +1.5% and capital value growth of +0.4%. The fund's retail assets continued to outperform the wider market by +0.8%. Outperformance was also delivered in the office and alternative ("other") sectors relative to market, producing relative total returns of +5.1% and +9.7% respectively. The Fund's industrial portfolio underperformed against the broader market, producing a relative total return of -1.7%, as a result of disproportionate capital appreciation for London and Southeast industrials versus the regional markets where the Fund maintains an over-weight position to (due to the higher income yield advantage). (Source: MSCI, TPUT directly held assets compared to the MSCI UK Monthly Property index).

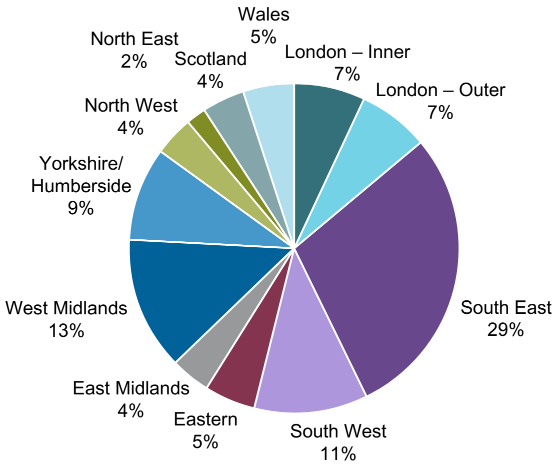
Outlook

- Following a sustained period of downward pressure on capital values as the market adjusts to inflation and interest rate expectations, UK Real Estate is well placed for a cyclical capital recovery, taking advantage of an improved macro-economic outlook, whilst continuing to offer attractive income characteristics, including resilient rental growth. We continue to believe the Fund is well placed to capture long-term sustainable growth through its focus on actively and responsibly managing property assets to generate a high and durable-income yield advantage from a diverse asset and tenant base. The Fund's property assets currently offer a Net Initial Yield of 6.2% against 5.4% offered by the MSCI UK Monthly Index. The Fund's strategic sector weighting is dynamically weighted towards Landlord-favourable occupational markets which should continue to provide a solid foundation for long-term out-performance.

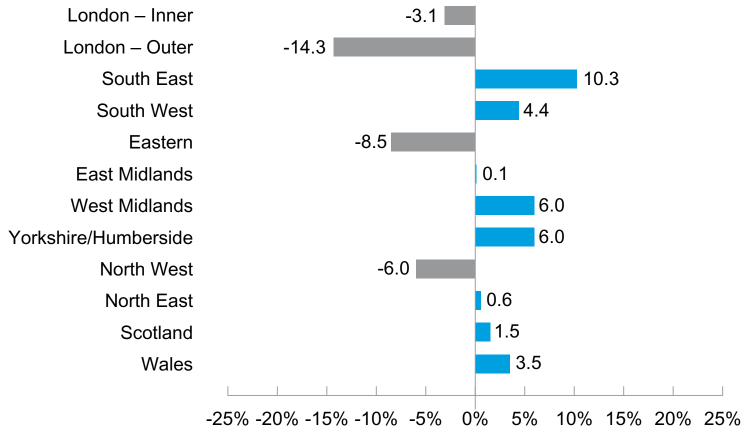
Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and AREF UK Quarterly 'All Balanced Open-Ended' Property Fund Index, 31 March 2024

Property Portfolio Sector and Geographical Positioning

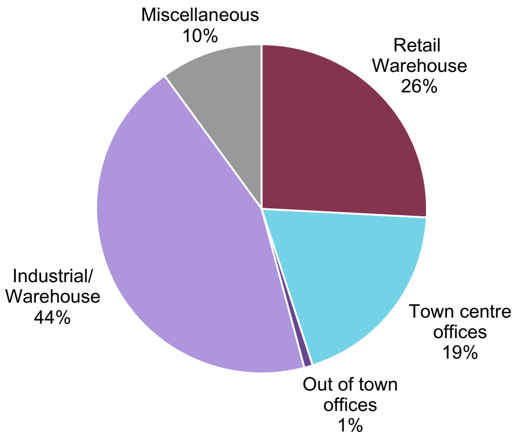
Property portfolio weighting – geographical split



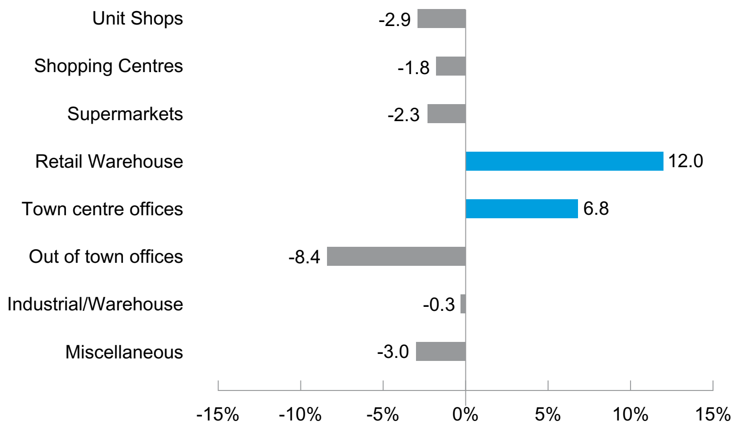
Relative portfolio weighting (%) versus MSCI Monthly Index



Property portfolio weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

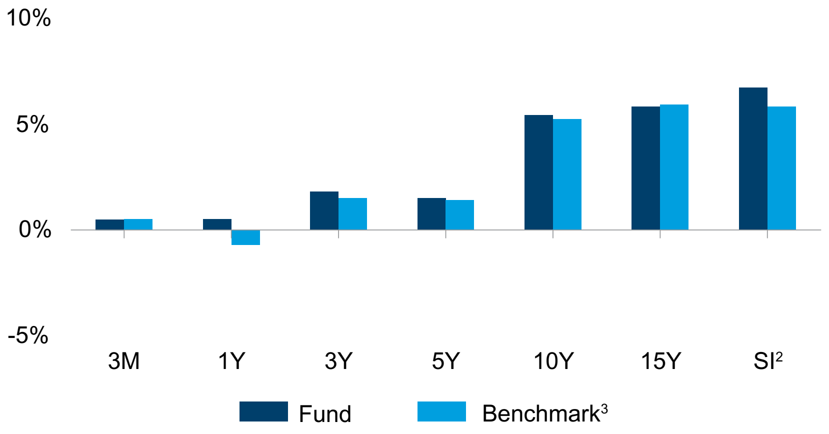


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 March 2024

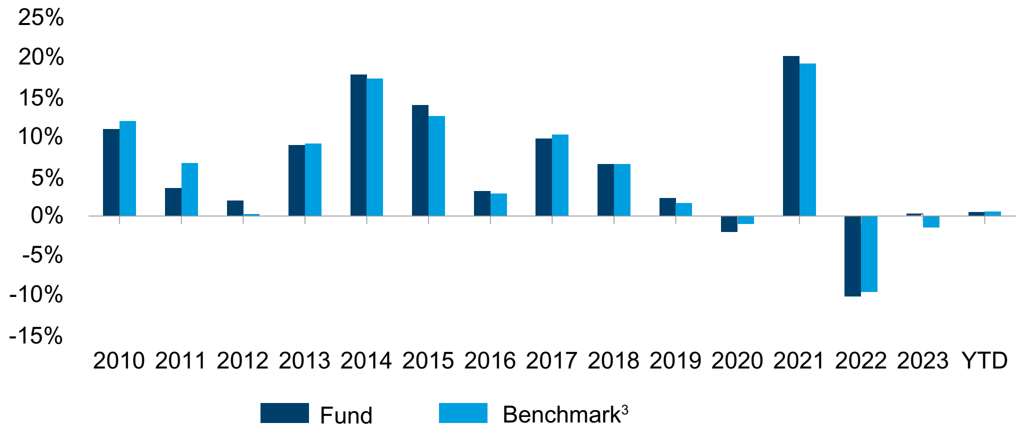
Fund Performance

Long Term Performance

Discrete periods[1]



Calendar Years



Fund Performance / Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	0.5	0.5	0.5	1.8	1.5	5.4	5.8	6.7
Benchmark**	0.5	0.5	-0.7	1.5	1.4	5.2	5.9	5.8
Relative (Arithmetic)	0.0	0.0	1.2	0.3	0.1	0.2	-0.1	0.8

Source: AREF/MSCI 31 March 1999
* Since Inception – January 1999
** MSCI/AREF UK All Balanced Property Funds Weighted Average. Based on NAV to NAV (net of fees) from 1/01/2014. Historical returns are for information purposes only.

Notes: 1. Periods > one year are annualised.
2. SI = Since Inception. 31 March 1999 Columbia Threadneedle Investments was appointed investment advisor to the Trust in November 1998.
3. Benchmark shown is the benchmark of the fund, as detailed on page 3.

Source: Portfolio – Columbia Threadneedle Investments. Based on NAV to NAV (net of fees).
Benchmark – MSCI/AREF UK All Balanced Property Funds Weighted Average. Based on NAV to NAV (net of fees) from 1/01/2014. Historical returns are for informational purposes only.

Top 10 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
Hampton	Kempton Gate	Industrial / Warehouse	10-25
York	Foss Islands Retail Park	Retail Warehouse	10-25
High Wycombe	Stirling Road	Industrial / Warehouse	10-25
Cardiff	Newport Road	Retail Warehouse	10-25
Coventry	Skydome	Miscellaneous	10-25
Selby	Three Lakes Retail Park	Retail Warehouse	10-25
Rugby	Swift Point	Industrial / Warehouse	10-25

Tenant

	% of rents passing
B&M European Value Retail S.A.	4.3
Tesco PLC	2.8
Currys PLC	2.7
Wickes Group PLC	2.5
Norton Group Holdings Limited	2.1
Tempur Sealy International Inc.	2.1
AMC Entertainment Holdings Inc	1.9
Pets At Home Holdings Limited	1.8
Envy Post Production Limited	1.6
Matalan, Retail Limited	1.6

Source: Columbia Threadneedle Investments as at 31 March 2024

Investment Activity – Key Purchases and Sales Over Q1 2024

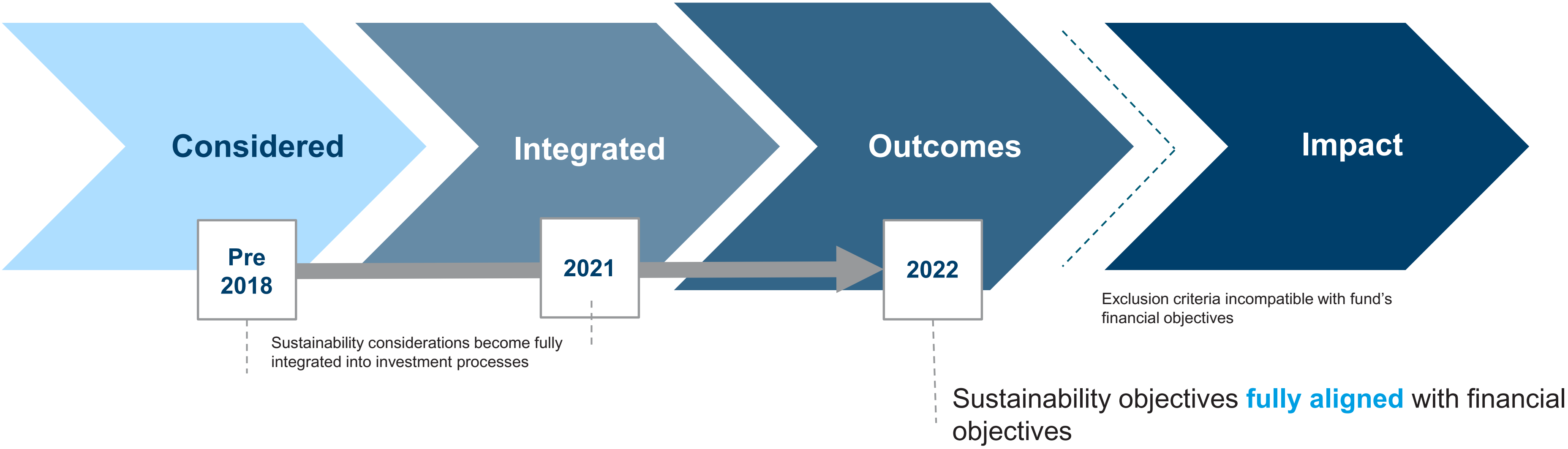
Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
None				
Sales				
Leeds, Bruntcliffe Avenue	Q1 2024	Industrial / Warehouse	5-10	5.4
Aylesbury, Coldharbour Way	Q1 2024	Industrial / Warehouse	10-25	5.5
Staines, Magna House	Q1 2024	Town Centre Offices	2.5-5	10.0
8-9 Lovat Lane, London	Q1 2024	Town Centre Offices	2.5-5	6.2
Henley Business Park, Guildford, GU3 2DX	Q1 2024	Industrial / Warehouse	5-10	6.0
Ashville Park, Wokingham, RG41 2PL	Q1 2024	Industrial / Warehouse	10-25	5.7
The IO Centre, Redhill, RH1 5DY	Q1 2024	Industrial / Warehouse	10-25	3.8

Source: Columbia Threadneedle Investments as at 31 March 2024
Figures reflect headline prices and topped up rents where rental top ups provided by vendor.

Responsible Investment strategy

‘Active’ provides the best potential for sustainable ‘Outcomes’

Evolution of Responsible Investment approach:



Key principles:

- The Fund is committed to delivering positive **financial**, **environmental** and **social** outcomes
- Commitment to achieve operational Net Zero carbon emissions **by 2040**
- Article 8 disclosures made under EU SFDR in Lux (Master fund aligned)

Source: Columbia Threadneedle Investments, as at 31 March 2024. Fund aims 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. 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.

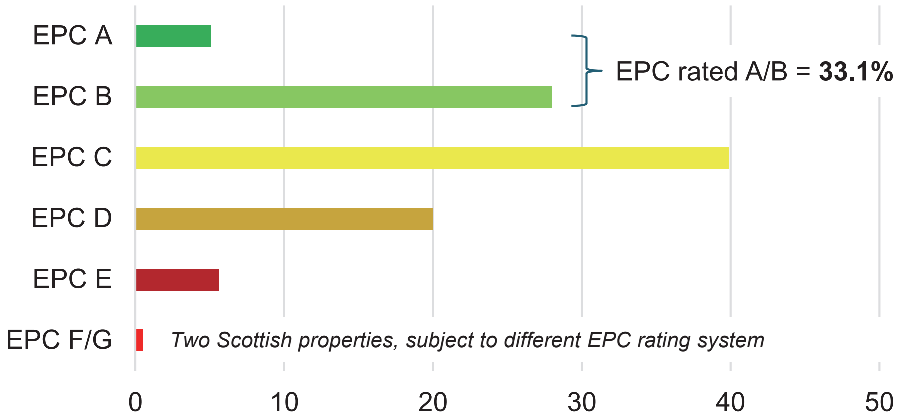
Responsible Investment: environmental

Sustainability Dashboard – key performance indicators

Property infrastructure: EPCs
Target EPC 'B' by 2030

Key performance metrics	
Portfolio coverage (whole portfolio, % ERV)	99.1%
Works projects completed (past 12 months)	19
Refurbishments delivering 'B' or better	79.4%

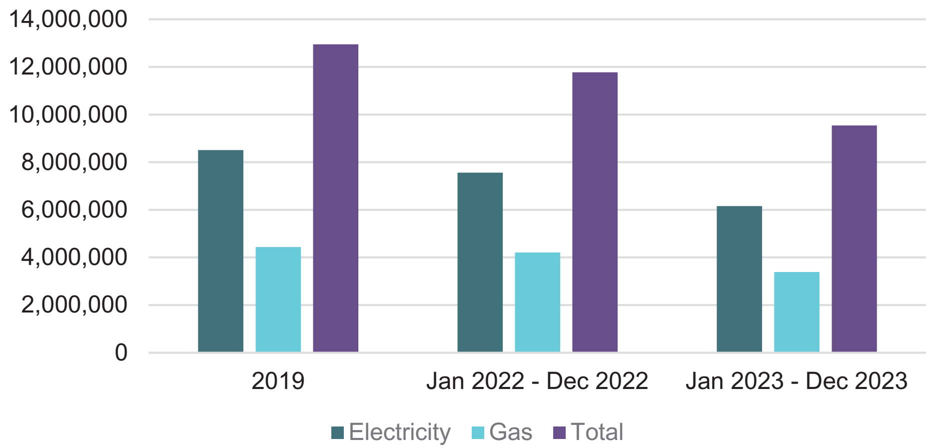
EPC distribution by % ERV



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

Key performance metrics	
Portfolio coverage (LL managed portfolio, % floor area)	88.8%
Energy consumption change L-f-L Y-on-Y	-18.9%
Energy consumption change vs baseline*	-26.3%

Like-for-like Energy consumption

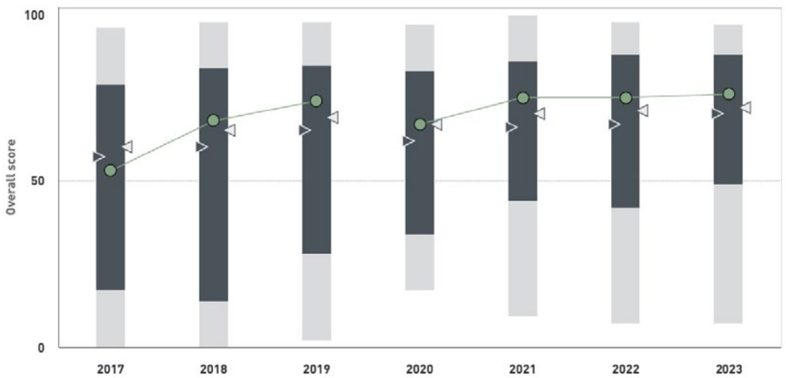


Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 31 March 2024. Refurbishments delivering EPC B or better expressed as % contract value excluding works which have no impact on EPC (e.g. redecoration). Energy data as at 31 December 2023. Portfolio coverage as % floor area. *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 2023 GRESB results

GRESB 2023



Global Real Estate Sustainability Benchmark ('GRESB')

Key takeaways

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

Strengths

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

Areas of improvement

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

Source: Columbia Threadneedle Investments, as at 30 September 2023. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only. The decision to invest in the promoted fund should also take into account all the characteristics or objectives of the promoted fund as described in its prospectus.

Responsible Investment: Net Zero carbon

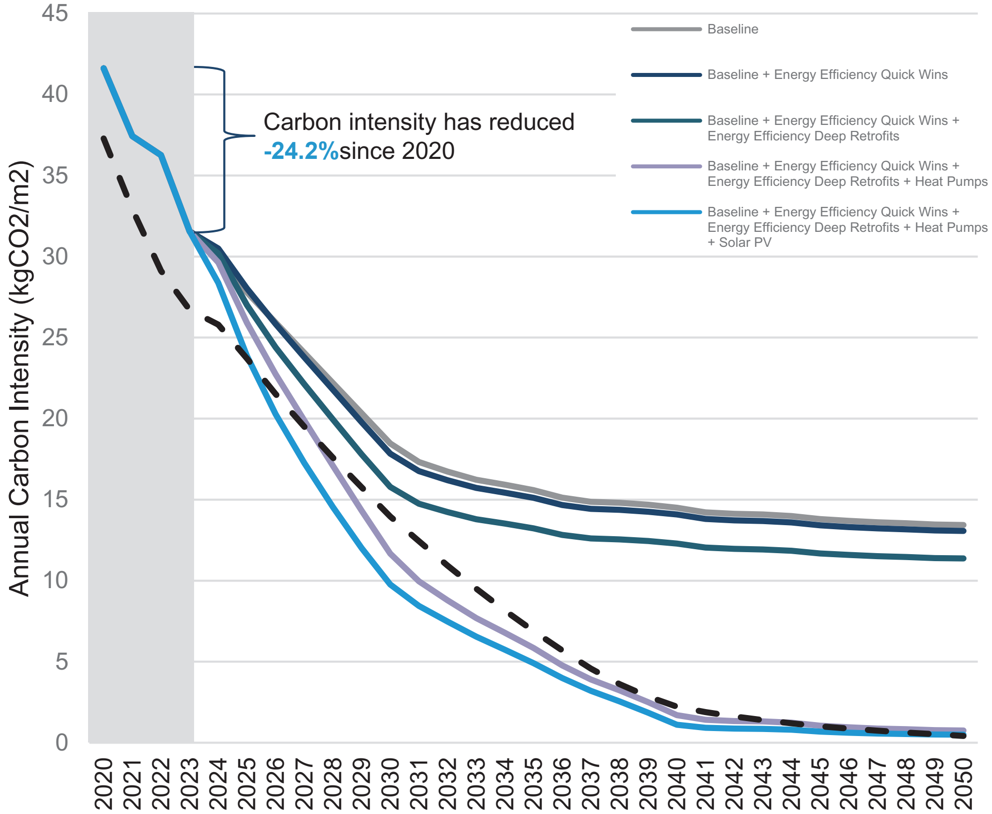
Updated pathway to operational Net Zero by 2040

Impact of interventions on energy use

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

- Carbon intensity reduced **-24.2%** from 41.6 to 31.6 kgCO2/m2 based on 2023 modelled data against 2020 baseline
- Carbon emissions modelled to reduce from 15,482 tCO2 in 2023 to 221.5 in 2040 (**-98.6%**) with this residual to be offset

Portfolio annual carbon intensity



Source: EVORA – TPUT Fund Decarbonisation Pathway, updated April 2024. Figures are based on modelled data subject to multiple assumptions which are subject to review and change. 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.

Capturing rental growth

Completed letting and lease renewals

Newport: 170,000 sq. ft. distribution warehouse

- Existing occupier upsized to take whole unit at c£890,825 pa reflecting an uplift of **+55%** over previous passing rent.

Croydon: 26,250 sq. ft. warehouse unit

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

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

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

Newcastle:

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




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

Source: Columbia Threadneedle Investments, as at 31 March 2024. *Headline rent achieved is on expiry of tenant incentive periods

ESG Reporting: EPC Data

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

	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Property assets	168	167	165	163	145	123	108	107	105	98
Rateable units	775	755	749	735	681	582	542	525	497	463
EPC coverage (% rateable units)	98.8%	97.6%	98.9%	99.3%	99.3%	99.7%	99.3%	98.9%	99.0%	99.1%
EPC rated A (% rateable units)	0.6%	0.7%	0.7%	1.6%	1.8%	2.6%	3.1%	3.0%	3.6%	3.5%
EPC rated B (% rateable units)	16.9%	17.7%	20.0%	21.8%	21.7%	23.2%	24.0%	24.6%	27.8%	28.3%
EPC rated C (% rateable units)	39.5%	38.4%	39.3%	39.7%	38.5%	41.2%	40.2%	39.6%	39.2%	38.4%
EPC rated D (% rateable units)	29.9%	28.7%	28.3%	26.7%	28.0%	24.4%	24.4%	23.6%	21.7%	23.1%
EPC rated E (% rateable units)	11.0%	11.1%	9.7%	8.8%	7.6%	6.5%	6.1%	6.3%	5.8%	5.0%
EPC rated F (% rateable units)	0.4%	0.3%	0.4%	0.4%	0.4%	0.7%	0.7%*	0.8%*	0.2%*	0.2%*
EPC rated G (% rateable units)	0.5%	0.5%	0.5%	0.3%	0.6%	0.9%	0.6%*	0.6%*	0.6%*	0.6%*

Source: Columbia Threadneedle Investments, based on % rateable units, as at 31 March 2024. *From Q2 2023 all properties with units rated EPC 'F' and 'G' are located in Scotland which is subject to differing rating systems and regulations. One property rated EPC 'F' sold October 2023. 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	2022
Property assets	242	218	198	168	144
Landlord managed assets (S/C)	98	92	90	84	73
Data coverage: landlord-managed assets (gross floor area)	84%	79%	77%	83.6%	91.7%
Total Landlord-Managed portfolio energy consumption – absolute	*Not measured explicitly prior to 2021*			20,555,492 kWh	24,813,947 kWh
Tenant managed assets (FRI)	144	126	108	84	71
Data coverage: tenant-managed assets (gross floor area)	20.5%	23.0%	29.0%	62.6%	77.7%
Total Tenant-Managed portfolio energy consumption – absolute	*Not measured explicitly prior to 2021*			19,841,073 kWh	20,507,706 kWh
Data coverage: whole portfolio (gross floor area)	53.4%	55.7%	61.7%	78.4%	85.8%
Total portfolio energy consumption – absolute	26,921,092 kWh (12.2%)	25,489,785 kWh (-5.3%)	21,701,092 kWh (-15.0%)	40,396,565 kWh (86.2%)	45,321,654 kWh (12.2%)
Total portfolio electricity consumption – absolute	16,444,766 kWh (21.4%)	17,842,685 kWh (8.5%)	13,773,889 kWh (-30.5%)	27,353,014 kWh (98.6%)	31,621,383 kWh (15.6%)
Total portfolio gas consumption – absolute	10,476,323 kWh (20.9%)	7,577,826 kWh (-27.7%)	6,554,657 kWh (-15.6%)	13,043,551 kWh (99.0%)	13,700,270 kWh (5.0%)

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 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	2022
Property assets	242	218	198	168	144
Landlord managed assets (S/C)	98	92	90	84	73
Data coverage: landlord-managed assets (gross floor area)	84%	79%	77%	83.6%	91.7%
Tenant managed assets (FRI)	144	126	108	84	71
Data coverage: tenant-managed assets (gross floor area)	17.0%	17.6%	29.0%	62.6%	77.7%
Data coverage: whole portfolio (gross floor area)	48.8%	50.0%	61.7%	78.4%	85.8%
GHG emissions – absolute (year on year % difference)	7,615 tonnes (7.6%)	5,993 tonnes (-21.3%)	3,966.0 tonnes (-33.8%)	8,194 tonnes (106.61%)	8,616 tonnes (5.1%)

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	2022
Property assets		242	218	198	168	144
Landlord managed assets (S/C)		98	92	90	84	73
Data coverage: landlord-managed assets (gross floor area)	Water	39%	39%	31%	30.1%	38.2%
	Waste	14%	27%	27%	22.9%	21.5%
Tenant managed assets (FRI)		144	126	108	84	71
Data coverage: tenant-managed assets (gross floor area)	Water	0	8.0%	8.7%	39.2%	53.0%
	Waste	0	13.2%	14.07%	32.3%	52.1%
Data coverage: whole portfolio (gross floor area)	Water	15.7%	23.2%	24.0%	38.8%	44.3%
	Waste	7.0%	20.0%	21.1%	27.0%	34.3%
Total water consumption – absolute		130,373 m^3	279,902 m^3	271,535 m^3	79,332 m^3	92,766 m^3
Total waste consumption – absolute		399.00 tonnes	788.72 tonnes	8,795.74 tonnes	2,516 tonnes	2,081 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	2023
Property assets	206	199	168	145	104
Low	164 (74.9%)	158 (75.1%)	135 (74.5%)	115 (74.2%)	82 (77.6%)
Medium	33 (21.6%)	32 (21.3%)	27 (22.3%)	24 (22.1%)	18 (19.3%)
High	5 (2.2%)	5 (2.1%)	3 (1.7%)	5 (3.1%)	3 (2.7%)
Extreme	4 (1.4%)	4 (1.5%)	3 (1.5%)	1 (0.6%)	1 (0.5%)

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

Source: Columbia Threadneedle Investments, as at 31 March 2024. All data as at 31 December unless otherwise stated
Notes: Two assets rated 'High Risk' sold in Q4 2021: Derby, 20-25 Albert Street and Bristol, 2 Zetland Road. Flood Risk Assessments commissioned on High / Extreme risk assets.
Physical Risk Screening Analysis undertaken November 2021 to compliment the above flood risk statistics and is available on request.

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

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

Low Risk   Medium Risk   High Risk

RISK DESCRIPTION	SENSITIVITY	MEASURES	RISK COMMENT (Limits exceeded / positive risks)
Liquidity	Medium – Open ended Fund but Trust Deed provides the manager with the power to control inflows and outflows if in the interests of remaining Unit Holders.	Current target liquidity of 6.5% of GAV with a ceiling at 10.0% under Trust inflow protocol.	**Liquidity at quarter end: 7.6%**
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 2024: 16.7%[1]**
Single Occupancy Risk Exposure	Low – good spread and diversity of tenants	Trust Deed: Exposure to single tenant as percentage of total rental income not to exceed 20%. Investment Guidelines: restricted to 10% of total rental income.	**Current highest rental income from one tenant: 4.3% of total rental income**
High Value Property	Low – Pre-purchase due diligence and diversity of portfolio.	Trust Deed: Maximum allowable value of any one purchase: 15% of NAV. Investment Guidelines: Maximum 10% of GAV on an ongoing basis.	**Largest current property asset as % of GAV: 4.5%**
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: 14.4%[2]**
Vacancy Rates	Low – good spread and diversity of tenants	No specific tolerance in Trust Deed but up to 15% of total Estimated Rental Value (ERV) excluding property under redevelopment would be regarded as tolerable.	**Total Estimated Rental Value of vacant space at end of quarter: 9.9%**
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 2024: 96.9% collected at day 21.**
Counterparty	Low – Minimal Counterparty Exposure	No Maximum restriction within scheme.	**Deposits with single bank at end of quarter: 10.6% of GAV**
Leasehold interest	Low – Low incidence of short leasehold interest	Trust Deed: not more than 15% of NAV to comprise leasehold interests with less than 60 years unexpired.	**Value of leasehold properties with less than 60 years unexpired: Less than 1% of NAV**

[1] **Market Risk** – The property market suffered material valuation volatility in Q4 2022 driven by significant macroeconomic uncertainty. Valuation movements have returned to 'normal levels' since, with this lower volatility forecast to continue in the near-term.

[2] **Single Investor** – Increased investor level due to investor previously purchasing additional units in the Fund. Exposure level not a concern, but longer-term aim is to bring position back into compliance.

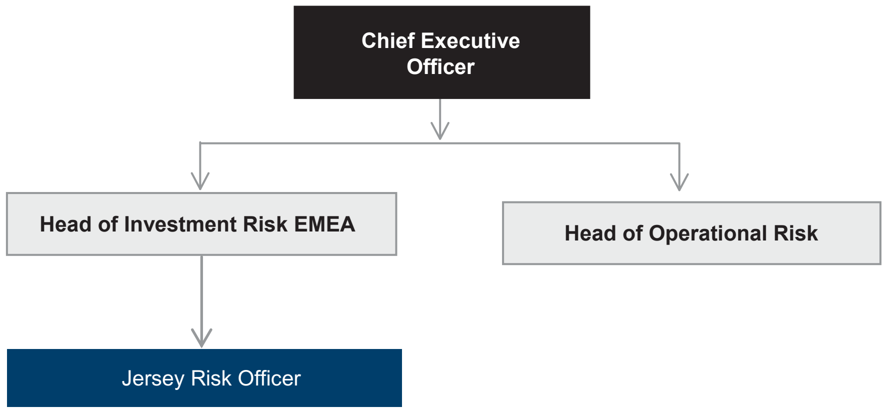
The Columbia Threadneedle Risk Management System

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

The Risk Team:

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

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



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

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

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

Material Changes

During the quarter no material changes have occurred.

Kevin Mundy
Jersey Risk Officer

March 2024

Glossary of Terms

- **NAV:** The net asset value of the Fund will be calculated as at the last Business Day of each month (a “Pricing Day”). More details are available in the Prospectus.
- **Bid/Offer Spread:** The bid/offer spread on units reflects the costs of buying and selling investments.
- **Initial yield:** The rent passing net of ground rent, NR, as a percentage of the gross capital value, GCV, at the same date.

  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 your sole use as existing investor only.

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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.

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