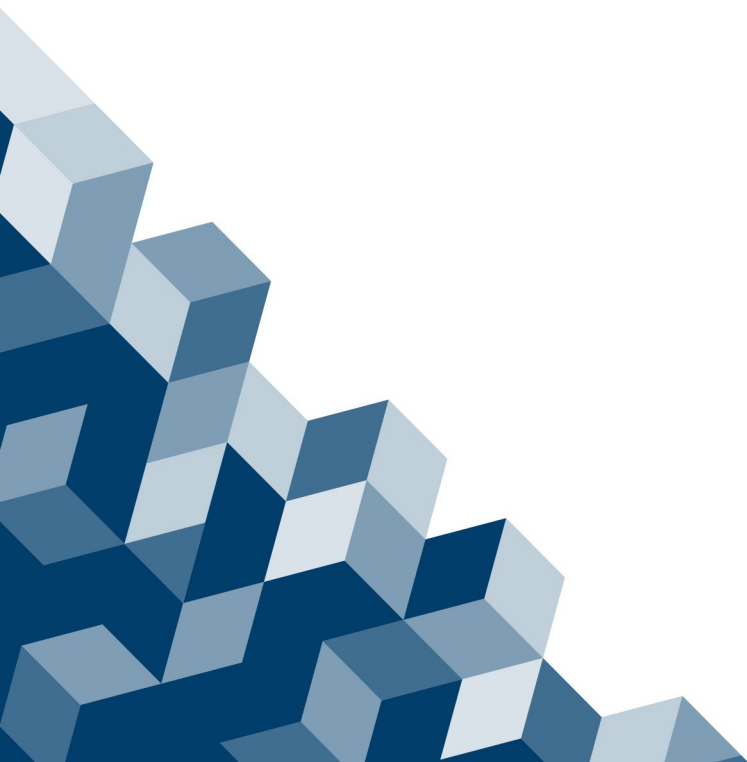


Threadneedle Property Unit Trust

Quarterly Report as at 31 December 2023

For Existing Investors only



Contents

3	Prospectus updates
4	Mandate summary
5	Portfolio highlights
6	Market context
9	State of the market
10	Fund overview
11	Property portfolio sector and geographical positioning
12	Fund performance
13	Top 10 direct holdings and tenants
14	Investment activity
15	Responsible investment strategy
16	Responsible investment: environmental
17	Responsible investment: GRESB
18	Net Zero: Fund pathway
19	Capturing rental growth
20	ESG reporting: EPC data
21	ESG reporting: Energy consumption
22	ESG reporting: Greenhouse gas (GHG) emissions
23	ESG reporting: Water and waste consumption
24	ESG reporting: Flood risk
25	Risk management report
28	Glossary of terms
29	Important information

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.

Mandate Summary

Contact Information



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

Mandate

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

Fund Information

■ Total Assets	GBP 961 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Bid	252.74
■ Offer	270.81
■ NAV	255.79
■ Jersey domiciled property unit trust.	
■ Income distributed quarterly (can be reinvested)	
■ Prices and deals at month ends.	
■ Bid/offer spread maximum of 7.1%	

Portfolio Highlights



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 December 2023. WAULT is an abbreviation of weighted average unexpired lease term. It is used by property companies as an indicator of the average remaining life of the leases within their portfolios.

Market Context

Market Commentary

UK Macroeconomy

The UK economy returned to growth in November 2023, delivering +0.3% m/m following a modest -0.1% contraction in Q3 and a -0.3% m/m fall in October. December growth will therefore determine whether the UK entered or narrowly avoided a technical recession in H2 2023.

After consecutive monthly falls in the rate of CPI inflation, the downward trend stalled in December, rising from 3.9% to 4.0%, mirroring the US and Euro-Zone. However, the broader trend of falling inflation drove a sharp recovery in gilt markets, with the 10-year UK gilt dropping below 3.5% in December, as investors forward look to base rate cuts in the first half of 2024.

The labour markets continue to remain constrained by historical standards, with unemployment remaining unchanged at 4.2% in the three months to December. The Bank of England (BoE) will be encouraged by a continued fall in 3-monthly total average earnings, down to 6.5% in November from 7.2% in October, and thus easing inflationary headwinds.

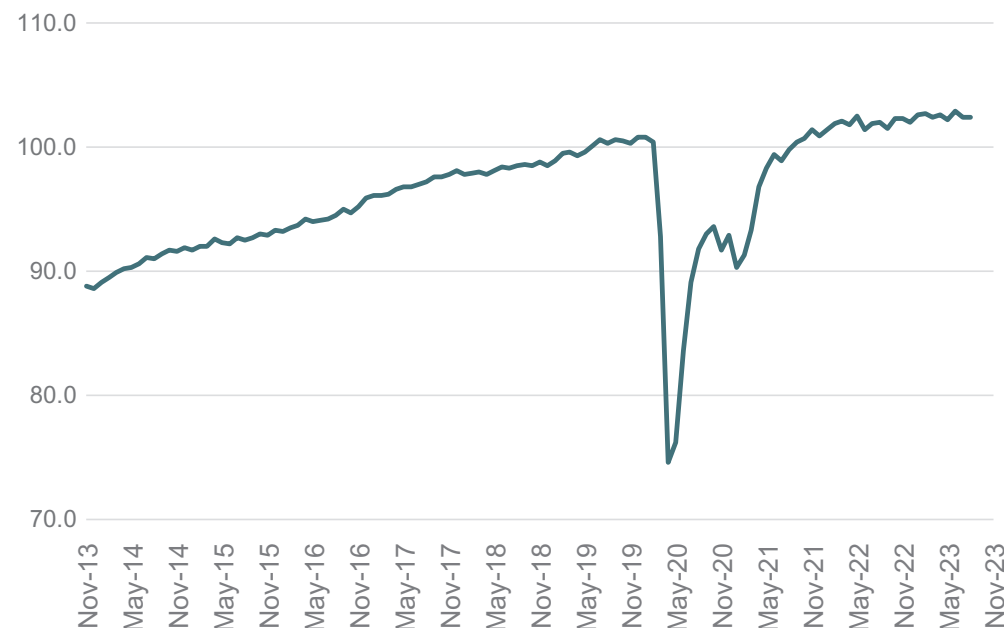
Recent events in the Middle East and geo-political instability continue to pose challenges to the global economy and represent near term downside inflation risks.

UK Real Estate: investment volumes

Total UK commercial property investment volumes reached c.36.7bn for FY 2023, a 23% decline on the 5-yearly quarterly average and the lowest total volume since 2012. Reduced transactional volumes were to be expected given the prevailing pricing volatility through the year.

We are aware that significant capital remains available for investment, particularly for high conviction growth sectors of industrial, retail warehousing and residential, however at a cost of capital which reflects prevailing interest rate / funding cost expectations.

10-year UK GDP (Indexed)



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

Market Context

Market Commentary (continued)

Returns

In the context of a challenging macro-economic environment, total returns for UK Real Estate saw a further decline in Q4 23, delivering -1.2% as represented by the MSCI UK Monthly Property Index, led by a -2.6% q/q decline in capital values, being partially offset by an income return of 1.4% q/q.

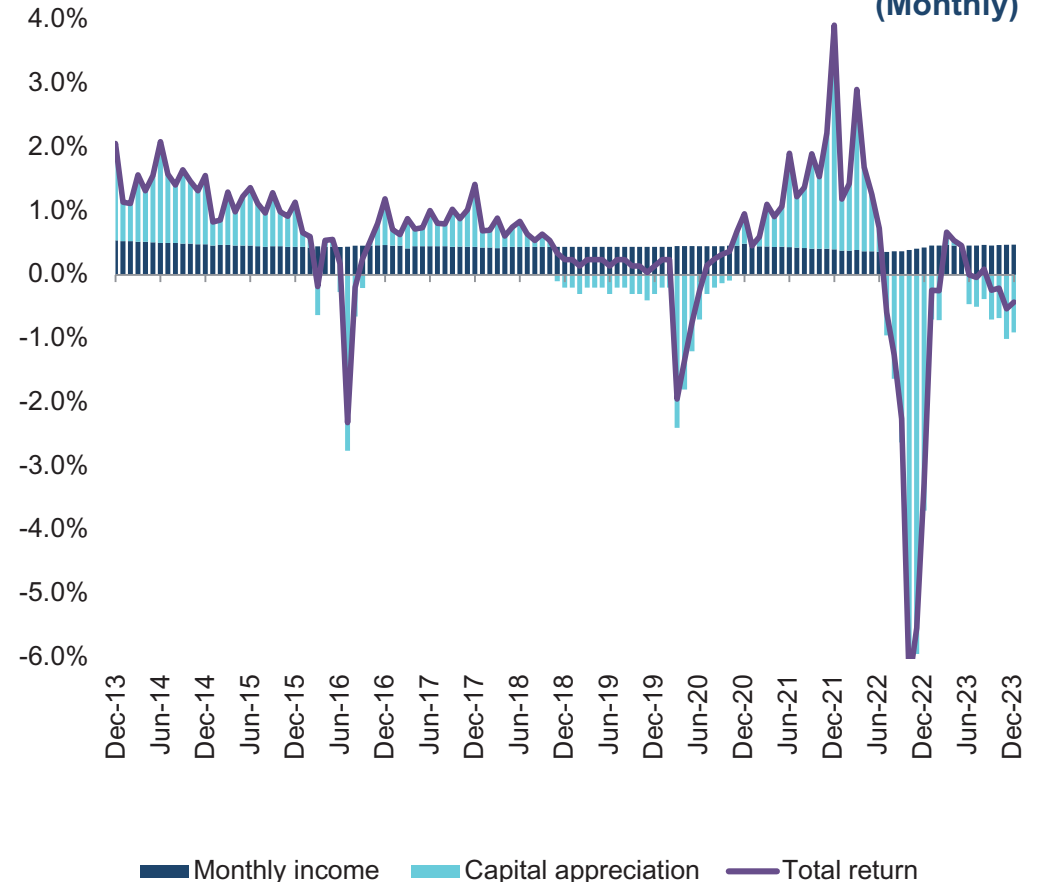
The market has seen a divergence in sector performance, with the office sector recording quarterly capital declines of -5.5% (-5.0% Q3 23) and a total return of -4.1%, as a result of negative investor sentiment, structural occupational trends and heightened obsolescence risk. The industrial market was the best performing sector, delivering a total return of 0.5% despite a capital loss of -0.7%, which is indicative of the strong occupational fundamentals delivering a positive income return of 1.2% for Q4 23. The retail sector recorded total returns of -1.8%, with retail warehousing contributing -3.8% capital declines, as yields adjust to higher costs of borrowing. The corresponding income return remains positive at 1.7% in recognition of high occupancy levels and a limited development pipeline.

“Other” assets, such as residential and student housing, recorded capital declines of -2.2% for the quarter after avoiding much of the capital volatility experienced by traditional core sectors in previous periods.

Occupational trends

Despite macro-economic challenges, core occupier markets continue to show underlying resilience, with positive rental value growth of 1.2% q/q across all sectors, representing a marginal increase from 0.8% q/q in Q3 2023. This growth was led by the industrial sector which delivered 2.2% rental growth over the quarter and 7.6% for the year.

10-year UK Commercial property total returns (Monthly)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q4 2023 report as at 31 December 2023.

Market Context

Market Commentary (continued)

The “big box” sub-sector has seen significant increase in take up, resulting in increased levels of annualised rental growth; currently at 7.6%, up from 6.9% at the end of Q3 2023. This pace is expected to remain positive for good quality stock and in urban locations as retailers seek to reduce delivery times and make energy cost savings. Conviction towards UK logistics remains high when considering the fundamental shortage of supply and robust demand from a diverse occupier pool, insulating it from a reliance on any one sector.

The retail sector saw positive rental value growth of 0.2% q/q, a marginal decrease on the 0.3% growth of Q3 2023.

Despite a structural change in working behaviours post-pandemic, offices rents are still increasing, delivering rental growth of +0.7% q/q up from the +0.3% q/q in Q3 2023, largely because of low national supply (partly as a result of stock erosion to alternative uses) and strong Central London performance.

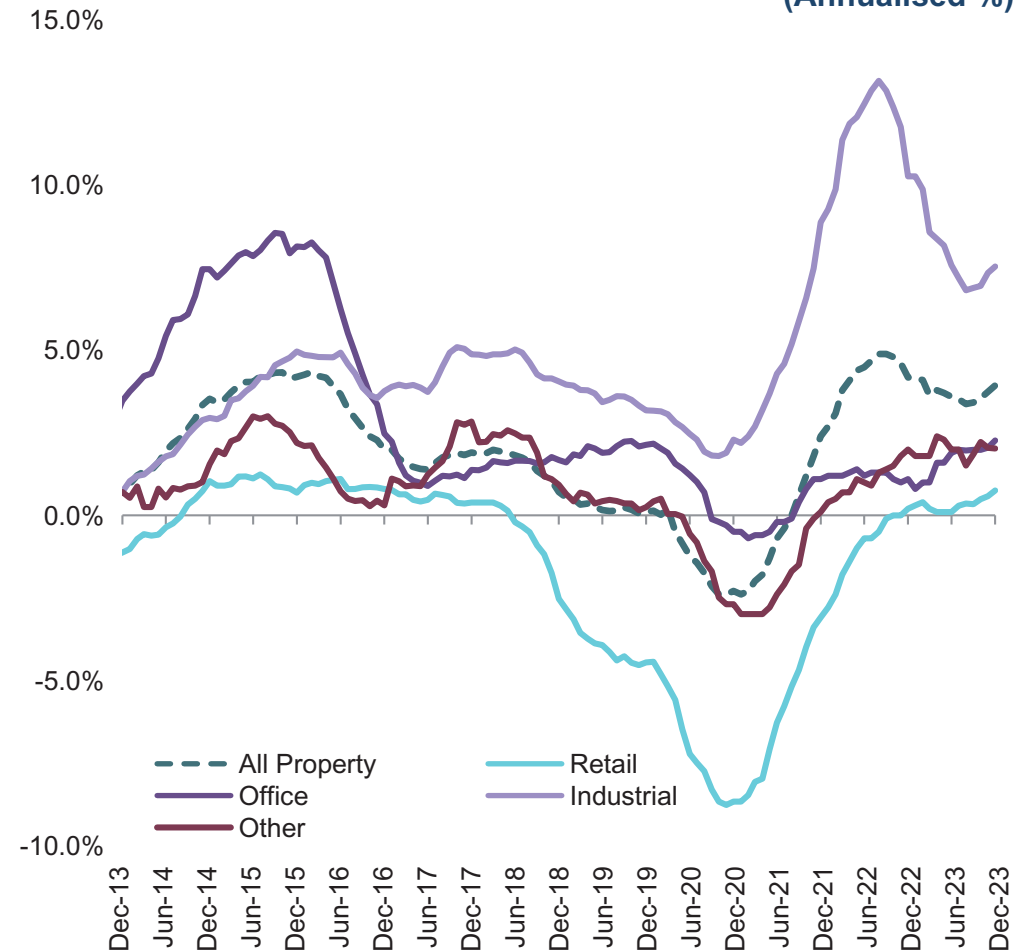
Outlook

The “All Property” Net Initial Yield at the end of December 2023 increased by 11bps over the quarter to 5.5%. While the All Property Equivalent Yield of 7.0% continues to represent a reasonable risk premium over gilts and swaps, further pricing pressures are anticipated in challenged sectors such as offices as well as poor quality assets and secondary locations, which will continue to be priced reflective of an increased risk of environmental and economic obsolescence. With limited scope for immediate capital growth through yield compression, income and active asset management will continue to be the key drivers of real estate returns in 2024.

Investors may be encouraged by significant declines in inflation, providing greater clarity over the trajectory of rates over the course of 2024. 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 modest levels of debt by historic standards, will support returns on a relative basis.

The extensive re-basing of capital values since June 2022 perhaps provides an attractive entry point for investors willing to increase allocations to the asset class.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q4 2023 report as at 31 December 2023.

State of the market

Key sector metrics as at end December 2023

	Trending key:											
		Strengthening										
		Stable										
		Weakening										
		Industrials		Offices		Retail		Alternatives				
Headlines	Supply/demand imbalance continues to favour landlords		Occupier demand selective, ESG agenda increasing build/refurbishment costs		Occupiers favour out-of-town (omni-channel, lower costs)		Favourable supply/demand for 'Beds' and 'Meds'. Leisure remains challenged					
Vacancy* (By Market Rent)	6.7%		21.5%		5.6%		3.1%					
Rental Growth* (Annualised)	7.6%		2.3%		0.8%		3.2%					
Prime Yield Pricing** (Net Initial Yield, rack rented)	Distribution Multi-let	5.25%	5.25%	London (City) Regions	5.75%	6.25%	High Street Warehouse	7.00%	6.25%	Student Leisure	5.00%	8.00%
Allocation	Favour multi-let estates and mid-box logistics. Neutral big-box distribution			Highly selective, favour urban and city centres Underweight out-of-town			Favour out-of-town / parks Underweight in-town / malls			Favour student (diversifier / inflation hedge), strategic land / 'meds' (capital growth)		
Finance: 5-year Gilt: 3.3% 5-year Swap: 3.4%			Real estate: NIY: 5.5% EQV: 7.0%			Spread: 3.7% (5-year Gilt to EQV)						

Source: *MSCI UK Monthly Property Index (Alternatives data is unweighted average Hotels, Residential, Other), as at 31 December 2023. **CBRE Prime Yields and trends, December 2023. Trends against average of prior 6-months (+/- <0.25% denotes stable)

Fund Overview – Q4 2023

Material Changes

- 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 £78.1m equivalent to 8.1% of NAV (8.1% 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

- Following significant sales volumes to meet redemptions on standard terms during H1 23, disposal activity through H2 23 reverted to more normal levels, with just two sales completed in Q4 23 delivering £9.7m.
- The Fund sold 1-5 Millen Road, Sittingbourne for a net sale price of £6.5m. The property comprised two adjoining industrial warehouse units fully let to Barclay and Mathieson Ltd with 9.7 years unexpired. The property holds poor ESG prospects and is EPC D rated which reflects the relatively dated specification. The Fund agreed a sale with a private investor reflecting a net initial yield of 6.5% and in line with the latest independent valuation.
- The Fund sold its last remaining high street retail property, 49 George Street, Edinburgh, for a sale price of £3.2m reflecting a net initial yield of 6.5%. Prior to the sale, the Fund agreed a new letting to the White Stuff Limited on a 10-year lease (break in year 5). The letting and subsequent sale crystallised a 0.5% premium to the latest independent valuation.
- Realisation requests stabilised into Q4 23, and sales have consolidated the portfolio around core assets anticipated to deliver strong relative performance on a forward-looking basis.
- Asset management highlights include the rent review at Unit 2001, Ravens Park, Leeds which has been agreed at £233,755p.a. (£7.75psf), representing a c.26% increase on the previous passing rent and 11% above valuation ERV.
- The Fund continues to take a pro-active approach to capital expenditure required to retain and enhance long term value and deliver environmental improvements from its portfolio.

Rent Collection

- Rent collection for the forthcoming quarter stands at 94.8% (as at Day 21).

Key Performance Indicators

- **Financial:** The Fund delivered a total return of -1.4% for Q4 23, marginally underperforming its benchmark by -0.2%. The annualised total return at the end of December 23 stands at -0.1%, which is +1.3% over benchmark. The Fund's total returns continue to be supported by a high relative distribution yield of 5.7%, 39% above the benchmark level of 4.1% as of 31 December 2023.
- **Environmental:** The Fund completed 20 projects over the 12 months ending 31 December 2023, with 80.6% delivering EPC A/B. This percentage represents an improvement on the previous quarter.
- **Social:** The Fund continues to undertake social value projects associated with project work, in accordance with its refurbishment guide.

Attribution

- Over the 12 months ending 31 December 2023, the fund's directly held property assets generated relative total returns +1.6% against the broader property market. This was achieved through a positive relative income return of +1.2% and positive capital value growth of +0.4%. The fund's retail assets performed better than the wider market by +2.8%. Outperformance was also delivered in the office and alternative ("other") sectors relative to market, producing relative total returns of +4.3% and +5.8% respectively. The Fund's industrial portfolio underperformed against the broader market, producing a relative total return of -2.0%, 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).

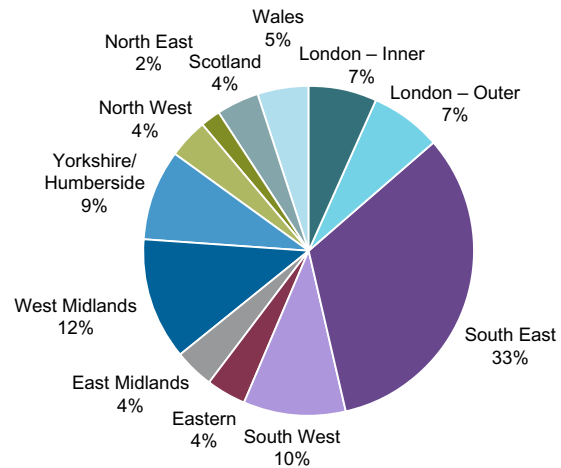
Outlook

- 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 6.1% against 5.3% offered by the MSCI UK Monthly Index. The Fund's strategic sector weighting positions towards Landlord favourable core occupational markets should continue to provide a solid foundation for long-term out-performance.

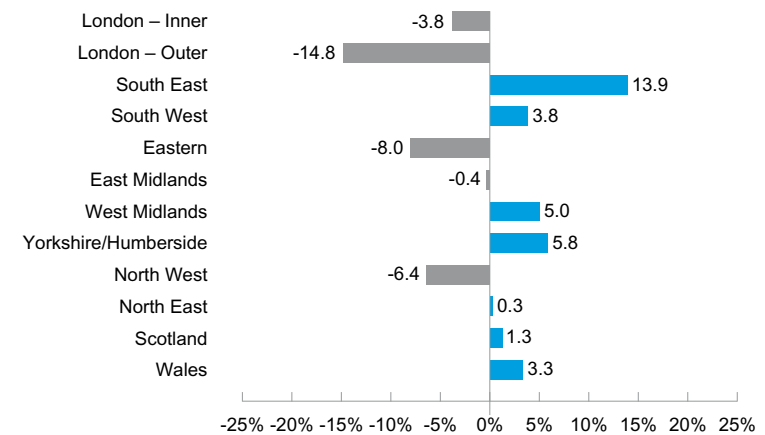
Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and AREF UK Quarterly 'All Balanced Open-Ended' Property Fund Index, 31 December 2023

Property Portfolio Sector and Geographical Positioning

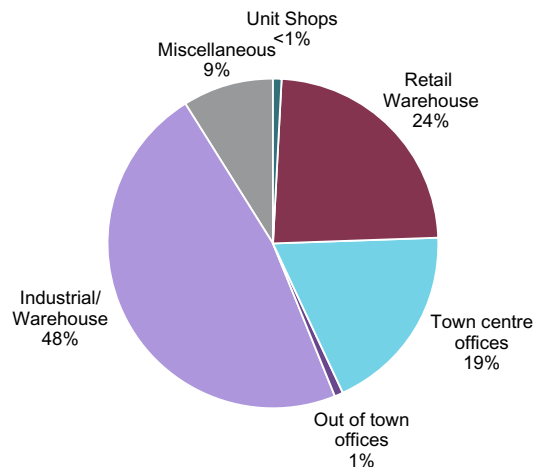
Property portfolio weighting – geographical split



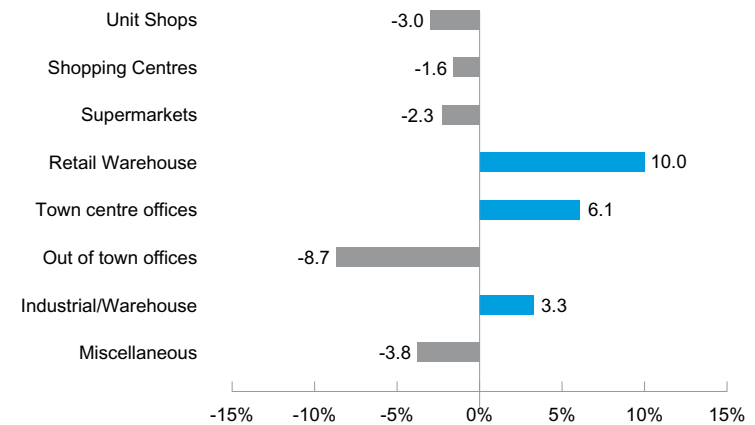
Relative portfolio weighting (%) versus MSCI Monthly Index



Property portfolio weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

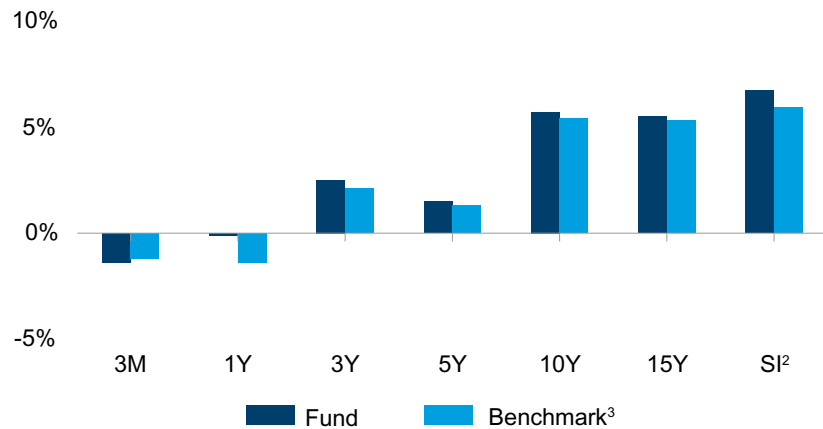


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 December 2023

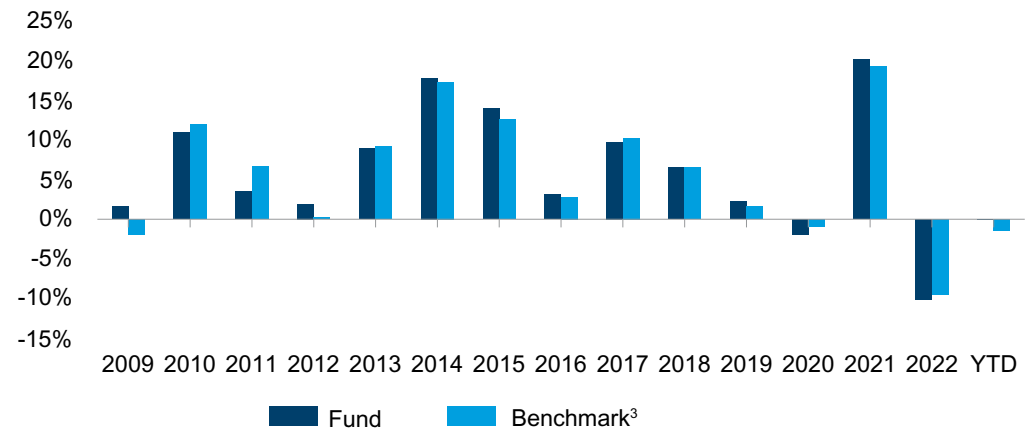
Fund Performance

Long Term Performance

Discrete periods¹



Calendar Years



Fund Performance

Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	-1.4	-0.1	-0.1	2.5	1.5	5.7	5.5	6.7
Benchmark**	-1.2	-1.4	-1.4	2.1	1.3	5.4	5.3	5.9
Relative (Arithmetic)	-0.2	1.3	1.3	0.4	0.2	0.3	0.2	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
Rugby	Swift Point	Industrial / Warehouse	10-25
Coventry	Skydome	Miscellaneous	10-25
Selby	Three Lakes Retail Park	Retail Warehouse	10-25

Tenant

	% of rents passing
B&M European Value Retail S.A.	3.2
Tesco PLC	2.6
Currys PLC	2.5
Wickes Group PLC	2.3
Norton Group Holdings Limited	2.0
ACI Worldwide (EMEA) Limited	2.0
Tempur Sealy International Inc.	1.9
AMC Entertainment Holdings Inc	1.8
Pets At Home Holdings Limited	1.7
Envy Post Production Limited	1.5

Source: Columbia Threadneedle Investments as at 31 December 2023

Investment Activity – Key Purchases and Sales Over Q4 2023

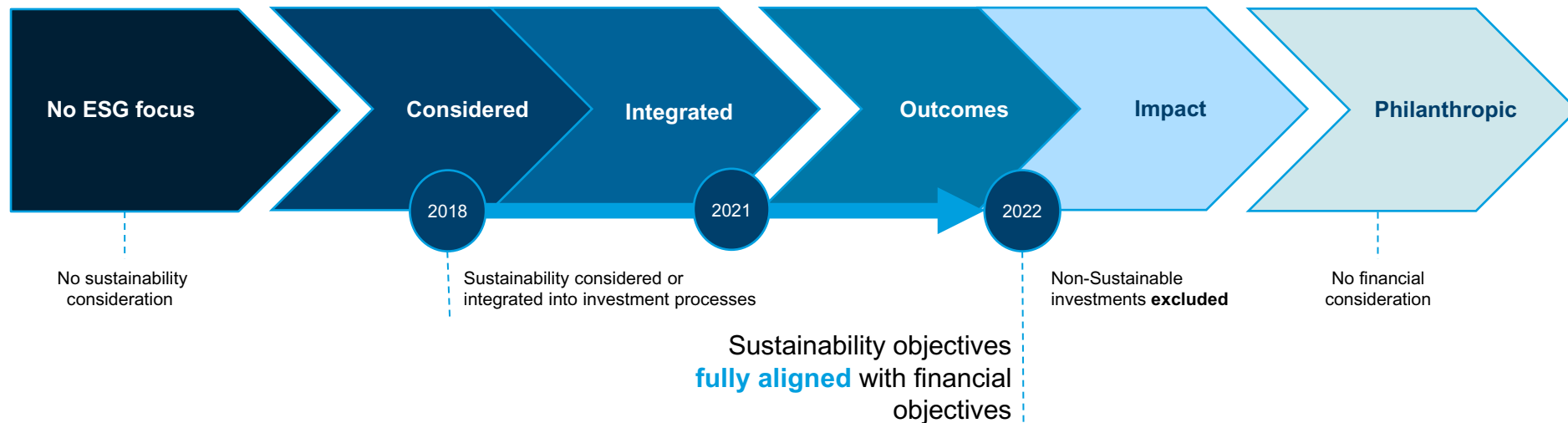
Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
Unit A, Three Lakes Retail Park, Selby	Q4 2023	Retail Park	2.5-5	–
Sales				
Sittingbourne, 1-5 Millen Road	Q4 2023	Retail Warehouse	5-10	6.5
Edinburgh, 49 George Street	Q4 2023	Retail Warehouse	2.5-5	6.5

Source: Columbia Threadneedle Investments as at 31 December 2023
 Figures reflect headline prices and topped up rents where rental top ups provided by vendor.

Responsible Investment strategy

‘Active’ provides the best potential for positive ‘Outcome’

Evolution of Responsible Investment approach:



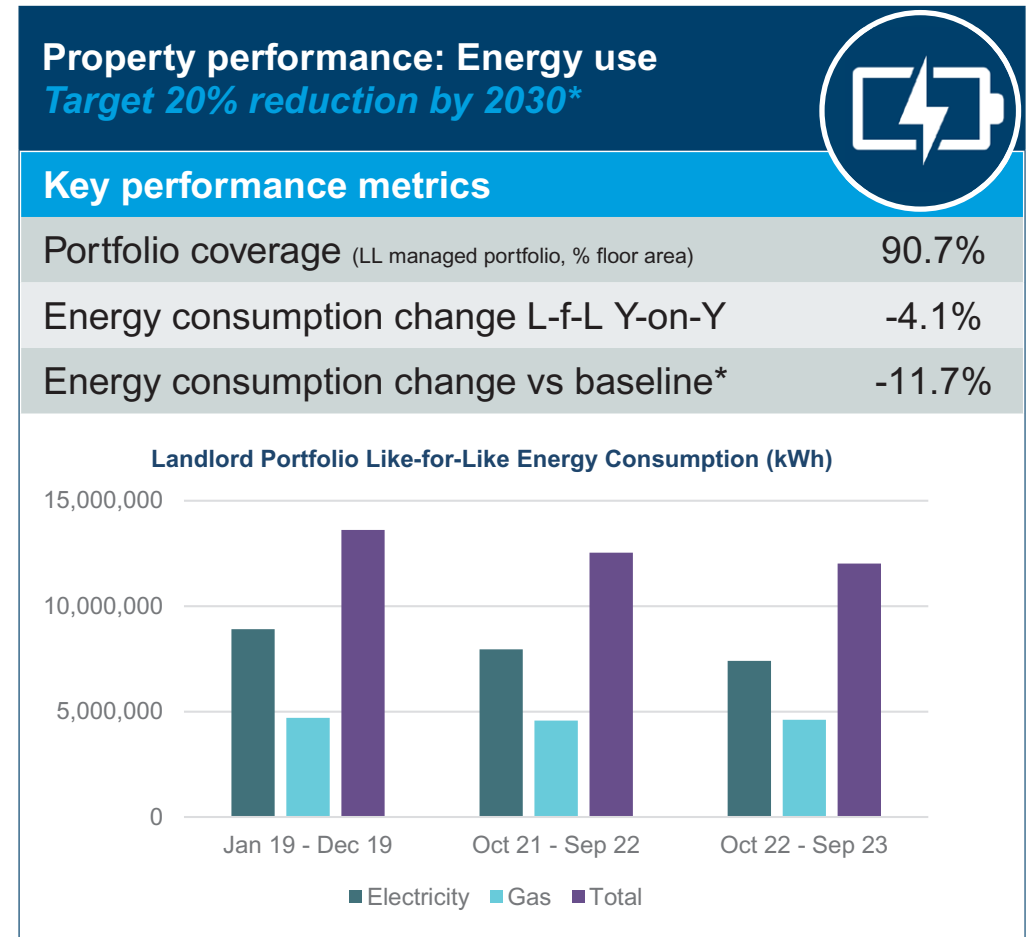
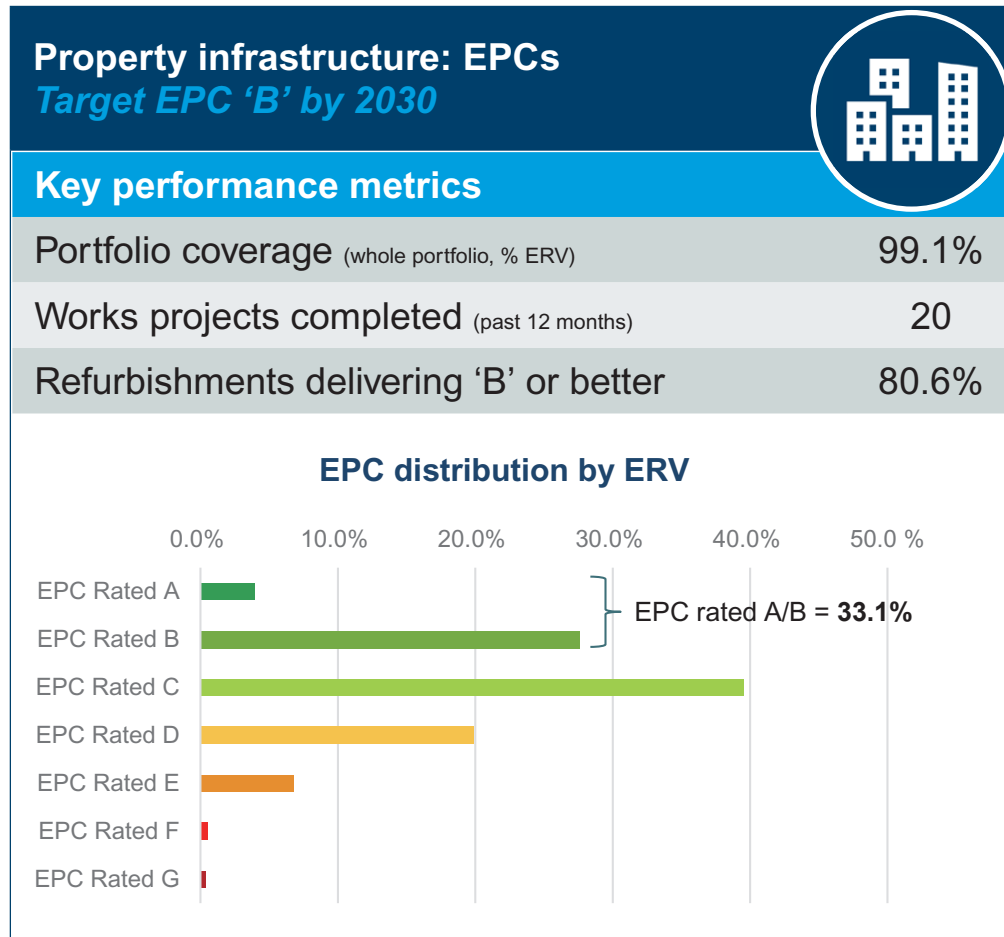
Key principles:

- The Fund is committed to an investment approach which aims to deliver positive financial, environmental and social outcomes
- Commitment to achieve operational Net Zero by 2040 is enshrined within SFDR Article 8 Disclosure
- Principles consistent with Columbia Threadneedle’s commitments as a responsible business and investor

Source: Columbia Threadneedle Investments, as at 30 September 2023. 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 – quarterly performance metrics



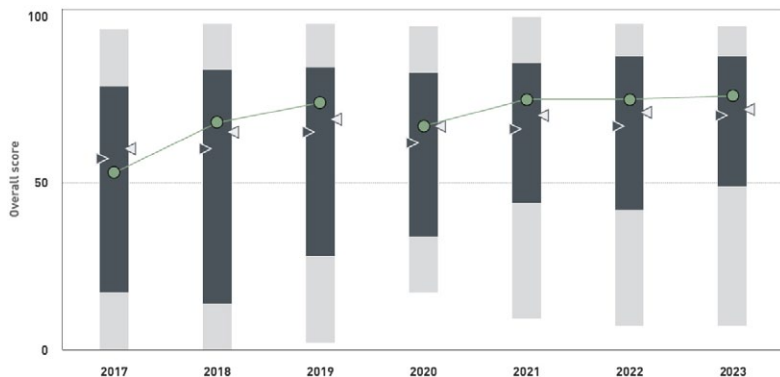
Source: Columbia Threadneedle Investments. EPC portfolio coverage as % ERV, as at 31 December 2023. Refurbishments delivering EPC B or better expressed as % contract value excluding works which have no impact on EPC (e.g. redecoration). Energy data as at 30 September 2023. Portfolio coverage as % floor 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



G R E S B
★ ★ ★ ☆ ☆ 2023



Global Real Estate Sustainability Benchmark

Key takeaways

- Twelfth year of the Fund's submission to GRESB
- Scored 76 out of 100 (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.

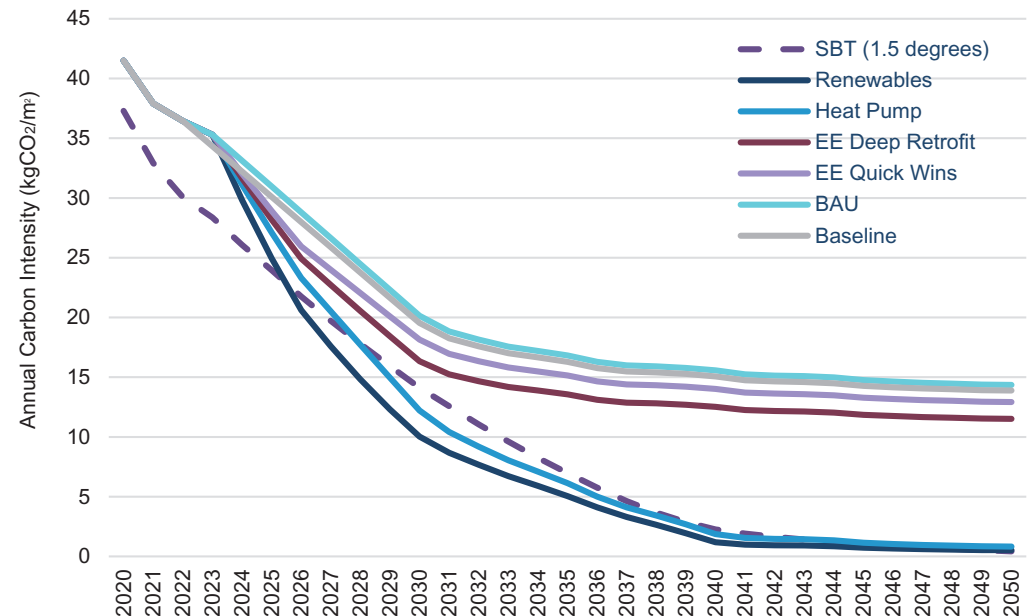
Responsible Investment: Net Zero carbon

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 **£9.7 million** 2023, with **80.6%** 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 December 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.

Capturing rental growth

Completed letting and lease renewals

Newport: 170,000 sq. ft. distribution warehouse

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

Wokingham: 80,000 sq. ft. South East industrial park

- Unit 600 let at £290,000 pa on 10-year term
- Unit 300 let at £111,500 pa on 10-year term




London: Bedford Square exit strategy

- Short term lease extension reached with outgoing tenant, securing income of £560,000 p.a. – now marketing for sale

Croydon: 26,250 sq. ft. warehouse unit

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



Outcomes:	 Financial	<p>Combined rent secured = £1.5 million p.a. Rental uplifts between 10% and 58% have generated significant like-for-like capital value uplifts over the period</p>
	 Environmental	<p>Regears provide opportunity for tenant engagement to encourage green practices and data sharing</p>
	 Social	<p>Maintaining building occupancy preserves local jobs</p>

Source: Columbia Threadneedle Investments, as at 31 December 2023. *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
Property assets	168	167	165	163	145	123	108	107	105
Rateable units	775	755	749	735	681	582	542	525	497
EPC coverage (% rateable units)	98.8%	97.6%	98.9%	99.3%	99.3%	99.7%	99.3%	98.9%	99.0%
EPC rated A (% rateable units)	0.6%	0.7%	0.7%	1.6%	1.8%	2.6%	3.1%	3.0%	3.6%
EPC rated B (% rateable units)	16.9%	17.7%	20.0%	21.8%	21.7%	23.2%	24.0%	24.6%	27.8%
EPC rated C (% rateable units)	39.5%	38.4%	39.3%	39.7%	38.5%	41.2%	40.2%	39.6%	39.2%
EPC rated D (% rateable units)	29.9%	28.7%	28.3%	26.7%	28.0%	24.4%	24.4%	23.6%	21.7%
EPC rated E (% rateable units)	11.0%	11.1%	9.7%	8.8%	7.6%	6.5%	6.1%	6.3%	5.8%
EPC rated F (% rateable units)	0.4%	0.3%	0.4%	0.4%	0.4%	0.7%	0.7%*	0.8%*	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%*

Source: Columbia Threadneedle Investments, based on % rateable units, as at 31 December 2023. *Two retail properties have units rated EPC 'F' and one property has units rated EPC 'G' all of which are located in Scotland which is subject to differing rating systems and regulations. 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	<i>Not measured explicitly prior to 2021</i>			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	<i>Not measured explicitly prior to 2021</i>			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	30 June 2023
Property assets	206	199	168	145	107
Low	164 (74.9%)	158 (75.1%)	135 (74.5%)	115 (74.2%)	84 (76.7%)
Medium	33 (21.6%)	32 (21.3%)	27 (22.3%)	24 (22.1%)	19 (19.9%)
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 (0.7%)

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 30 June 2023. 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) – December 2023

The key areas of risk impacting this fund as at the end of December 2023 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: 6.7%
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-Dec 2023: 16.6% ¹
Single Occupancy Risk Exposure	Low – good spread and diversity of tenants	Trust Deed: Exposure to single tenant as percentage of total rental income not to exceed 20%. Investment Guidelines: restricted to 10% of total rental income.	Current highest rental income from one tenant: 3.2% of total rental income
High Value Property	Low – Pre-purchase due diligence and diversity of portfolio.	Trust Deed: Maximum allowable value of any one purchase: 15% of NAV. Investment Guidelines: Maximum 10% of GAV on an ongoing basis.	Largest current property asset as % of GAV: 4.2%
Single Investor	Medium – Monthly dealt fund with no restriction on maximum investment	Optimum maximum exposure of no more than 10% total investment from one single investor	Highest single investment at quarter end: 13.4% 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: 11.7%
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 Dec 2023: 94.8% collected at day 21.
Counterparty	Low – Minimal Counterparty Exposure	No Maximum restriction within scheme.	Deposits with single bank at end of quarter: 8.1% 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.

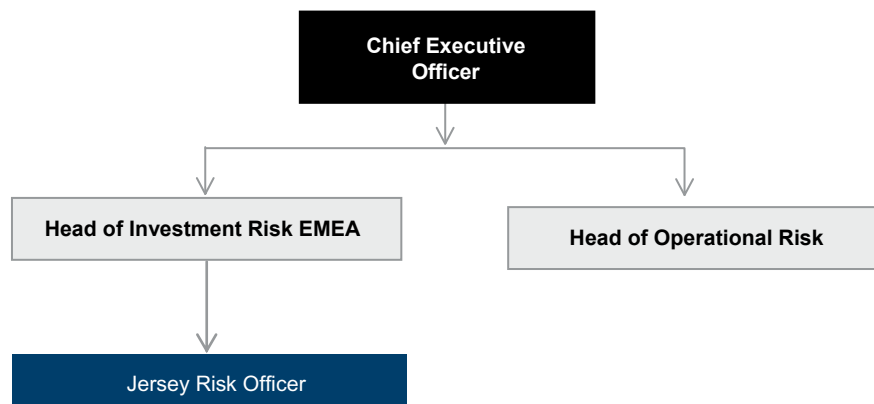
The Columbia Threadneedle Risk Management System

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

December 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 preceding four quarters.

Important Information

For your sole use as existing investor only.

Past performance is not a guide to future performance. The value of investments and any income from them can go down as well as up. This material is for information only and does not constitute an offer or solicitation of an order to buy or sell any securities or other financial instruments, or to provide investment advice or services.

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

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

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

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

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

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

This document should not be circulated to private investors.

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

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

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

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