

Fund Facts



Fund Manager
James Coke
 Since: 01/2021

Fund aim

The objective of the Fund is to provide investors with an indirect investment exposure to a diversified, multi sector portfolio of commercial property assets throughout the UK. The Fund seeks to achieve investment returns from the sector by placing particular emphasis on relatively high income returns, strong stock selection and active management of assets.

Launch date (of original fund)
 1967

Benchmark¹
 MSCI/AREF UK All Balanced Property Fund

Fund size (Net Fund Value)
 £1007m

Cash Holding (of Net Fund Value)
 8.0%

Bid/Offer Spread
 6.2%

Annual management charge
 0.68% p.a. up to £200m; 0.60% p.a. thereafter

Stated AMC for Unit Class A, based on gross assets of the Fund. Alternative unit classes are available which may attract different fees.

Pay dates
 Income is allocated to Unitholders monthly and is paid out at the end of each calendar quarter, or as soon as practical thereafter.

Gross distribution yield
 4.45% per annum

ISA
 No

Fund Codes:
 Sedol Income: 0508667
 ISIN Income: GB0005086672

¹ The Benchmark was Russell/Mellon CAPS Pooled Pension Fund Property Median until 31/12/2013. AREF/IPD UK Quarterly Property Fund Index – All Balanced Property Fund Index Weighted Average until 08/12/2018 and MSCI AREF UK All Balanced Quarterly Property Fund Index thereafter.

For more information about this and the Threadneedle Property Unit Trust, speak to your usual Columbia Threadneedle Investments contact.
 All information expressed in UK Sterling.

Information for Investment Professionals
 (not for onward distribution to, or to be relied upon by, private investors)

Fund Overview

- **Material Changes:** There have been no material changes to the management of the fund this quarter.
- **Liquidity:** The fund continues to maintain a robust liquidity position with gross cash of £81m equivalent to 8.0% of NAV (8.0% net debt on AREF 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 the completion of an extensive sales program in 2024, the Fund made no sales in Q1 25 as the investment focus pivots to recycling capital into selective buying opportunities. The Fund completed its acquisition of the UK Property Fund via a Scheme of Arrangement (further details as per the separate page in this report) which comprised a 16 asset diversified portfolio. The transaction NAV of £125.9M reflects a 6.8% discount to prior NAV (being the average of 3 independent valuations, less costs). Asset management activity included the Fund completing an open market rent review at Aspect One, Stevenage which increased the rent by 59% to £584,103p.a., reflecting a rent of £14.50psf and exceeding the valuation ERV. The Fund completed the letting of the 4th Floor Rear unit at Warwick House, London SW1, which comprises a fully-fitted 2,175 sq ft office suite, which was comprehensively refurbished by the Fund to a CAT B specification, achieving an EPC B rating. The letting to Lagardere Travel Retail (UK) Ltd produced a rent of £178,350p.a. which reflects £82psf, achieving a c.10% headline premium to the prevailing ERV. The Fund completed a rent review on the KFC drive-through unit at Heybarnes Retail Park, Birmingham, reflecting a rent of £97,600p.a. (£37psf), generating an additional £18,460p.a. from the previous rent. The agreed rent represented a c.14% increase on the prevailing ERV at the review date. Rent collection for the forthcoming quarter stands at 96.7% (as at Day 21).
- **Key Performance Indicators: Financial:** Fund performance continued its positive trajectory in Q1 2025, delivering a total return of 1.7% for the quarter, outperforming its benchmark by 0.2%. Medium and long-term performance continues to be ahead of benchmark, with the annualised total return of 8.7% being +2.1% over benchmark. The Fund's total returns continue to be supported by a high relative distribution yield of 4.5%, c.18% above the benchmark level of 3.8%, as of 31 March 2025.
- **Environmental:** The Fund completed 13 works projects over the 12 months ending 31 March 2025, with 100% by value delivering EPC A/B. The Fund's refurbishments of Network House, Leeds (installation of solar following earlier unit refurbishment) and Unit H at Selby both incorporating a high coverage of PV panels, delivered EPC A+ ratings.
- **Social:** The Fund is exploring enhanced means of reporting social value generation beyond the TOMS framework. Further details to follow.
- **Attribution:** Over the 12 months ending 31 March 2025, the Fund's directly held property assets generated relative total returns of +3.6% against the broader property market. This was achieved through a positive relative income return of +1.1% and capital value growth of +2.5%. The Fund's retail assets continued to outperform the wider market, generating a +3.9% relative total return. Outperformance was also delivered in the office and alternative ("other") sectors relative to market, producing relative total returns of +5.1% and +2.8% respectively. The Fund's industrial portfolio returned to relative outperformance (+2.3%). (Source: MSCI, TPOT directly held assets compared to the MSCI UK Monthly Property index).
- **Outlook:** With capital values stabilising following 11 consecutive months of positive capital growth (MSCI monthly) since April 2024, UK Real Estate is well placed for a cyclical capital recovery, taking advantage of an improved macro-economic outlook, in terms of inflation lowering towards target and the subsequent interest rate cuts; 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 5.0% 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.

Investment performance %

Total Return	3 Months	1 Year	3 Years	5 Years	10 Years
Threadneedle Property Unit Trust	1.7	8.7	-2.0	3.2	4.6
Weight Average	1.5	6.4	-3.3	2.7	4.2

Performance returns reflect income accrued on a quarterly basis only.
 As at 31.03.2025 Annualised returns, NAV to NAV, income reinvested at offer, net of fees.

Key Risks

Please note that past performance is no guarantee of future returns. The value of investments can go down as well as up and the investor may not get back the amount originally invested. It may be difficult or impossible to realise an investment in the Trust because the underlying property concerned may not be readily saleable. The value of the property in the Trust is a matter of a valuer's opinion. The Fund may enter into transactions in derivatives and similar instruments. Please note that the use of these types of investments may have a gearing effect, which may create additional risk by raising the Trust's exposure to capital risk and interest costs. In some circumstances the use of gearing can also affect the eligibility of the Trust for certain investors. Where investments are made in assets that are denominated in foreign currency, changes in exchange rates may affect the value of the investments. The fund 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.

Portfolio distribution %

Property Portfolio	Fund
Unit Shops	0.0
Shopping Centres	0.0
Supermarkets	0.0
Retail Warehouse	25.3
Total Retail	25.3
Town Centre Offices	16.7
Out of Town Offices	2.0
Total Offices	18.7
Industrial / Warehouse	45.8
Miscellaneous	10.2
TOTAL	100.0

Geographical distribution %

	Fund
London - Inner	6.8
London - Outer	8.6
South East	28.0
South West	9.1
Eastern	6.4
East Midlands	3.6
West Midlands	11.6
Yorkshire / Humberside	9.2
North West	5.6
North East	2.0
Scotland	3.7
Wales	5.3
Northern Ireland	0.0
TOTAL	100.0

Top ten direct holdings %

Description of individual properties	(% of fund value)
Croydon, Commerce Way	4.2
Trowbridge, Spitfire Retail Park	2.8
London W1, 46 Foley Street	2.4
Selby, Three Lakes Retail Park	2.2
Hampton, Kempton Gate	1.9
Cardiff, Newport Road	1.9
High Wycombe, Stirling Road	1.8
York, Foss Islands Retail Park	1.8
Rugby, Swift Point	1.7
Coventry, Skydome	1.6

Risk & volatility statistics %

	3 years	5 years
Absolute Volatility	9.3	8.6
Tracking Error	1.0	1.4
Information Ratio	1.3	0.4
Beta	1.0	1.0

Data is based on quarterly observations. Benchmark is the MSCI/AREF All Balanced Property Fund Index as at 31.03.2025.

Number of properties held: 108

Additional comments

Source of Index information: IPD Monthly Index.

Important information

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 may only be communicated in the UK 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.

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Units in the Trust may only be promoted in accordance with the aforementioned legislation.

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