

## 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

**Benchmark<sup>1</sup>**  
 MSCI/AREF UK All Balanced Property Fund

**Fund size (Net Fund Value)**  
 £866.4m

**Cash Holding (of Net Fund Value)**  
 8.4%

**Bid/Offer Spread**  
 7.1%

**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**  
 4.85% per annum

**ISA**  
 No

**Fund Codes:**  
 Sedol Income: 0508667  
 ISIN Income: GB0005086672  
<sup>1</sup> 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 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 £73.2m equivalent to 8.4% of NAV. 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 the first half the year which delivered c.£100m of liquidity, sales activity was limited in Q3, with just one sale completing. The Fund sold Faraday Court, Wellingborough for a sale price of £4.1m, reflecting a net initial yield of 7.9% and a capital value of £54psf. The property comprised a non-core 24-unit industrial estate held on a short long-leasehold interest (60 year unexpired) with a 26.2% headlease pay-away. In addition, the property held poor sustainability credentials with EPCs ranging from D-E. Whilst the sale price represented a modest discount to valuation (-2.4%), the Fund strategically agreed a contractual coverage provision, whereby the purchaser must pay the Fund 40% of the marriage value upside in the event of the Freehold being acquired. Asset management highlights include the new letting secured at Unit 1, Speke Approach, Widnes, let for a term of 10 years (break year 5) to HB Accident Repair Network Ltd, at a passing rent of £142,585p.a. which reflects £9.50psf, delivering a c.15% premium to ERV. The Fund completed a lease renewal at Garratt Lane, Wandsworth involving a 5 year extension to Colefax Group Plc, at a rent of £360,000p.a. reflecting £20.85psf. The achieved rent represented a c.44% increase on the previous passing rent and a c.10% premium on the prevailing ERV. Rent collection for the forthcoming quarter stands at 94.5% (as at Day 21).
- **Key Performance Indicators: Financial:** Fund performance continued its positive trajectory in Q3 2024, delivering a total return of 2.0% for the quarter, consecutively outperforming its benchmark (+0.7%). The annualised total return at the end of September 2024 stands at 3.4%, which is +1.7% over benchmark. The Fund's total returns continue to be supported by a high relative distribution yield of 4.9%, c.14% above the benchmark level of 4.2%, as of 30 September 2024.
- **Environmental:** The Fund completed 14 works projects over the 12 months ending 30 September 2024, with 88% by value delivering EPC A/B. The Fund's refurbishment of Parkside, Leeds incorporating a high coverage of PV panels, delivered an EPC A+ rating.
- **Social:** On four major projects (>£1m) completed over the 12 months ending 30 September 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 30 September 2024, the fund's directly held property assets generated relative total returns of +2.4% against the broader property market. This was achieved through a positive relative income return of +1.4% and capital value growth of +1.0%. The fund's retail assets continued to outperform the wider market by +1.1%. Outperformance was also delivered in the office and alternative ("other") sectors relative to market, producing relative total returns of +5.0% and +10.2% respectively. The Fund's industrial portfolio marginally underperformed against the broader market, producing a relative total return of -0.1%, 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:** With quarterly capital growth returning to positive territory in Q2(MSCI monthly) following a sustained period of downward pressure on capital values, 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 5.2% 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	2.0	3.4	0.3	2.2	4.9
Weight Average	1.2	1.7	-0.4	1.7	4.5

**Performance returns reflect income accrued on a quarterly basis only.**  
 As at 30.09.2024 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	26.7
<b>Total Retail</b>	<b>26.7</b>
Town Centre Offices	18.4
Out of Town Offices	0.5
<b>Total Offices</b>	<b>18.9</b>
Industrial / Warehouse	43.8
Miscellaneous	10.6
<b>TOTAL</b>	<b>100.0</b>

**Geographical distribution %**

	Fund
London - Inner	7.2
London - Outer	7.5
South East	28.0
South West	10.2
Eastern	4.6
East Midlands	4.1
West Midlands	13.2
Yorkshire / Humberside	9.0
North West	4.5
North East	2.4
Scotland	4.0
Wales	5.5
Northern Ireland	0.0
<b>TOTAL</b>	<b>100.0</b>

**Top ten direct holdings %**

Description of individual properties	(% of fund value)
Croydon, Commerce Way	4.7
Trowbridge, Spitfire Retail Park	3.2
London W1, 46 Foley Street	2.8
Selby, Three Lakes Retail Park	2.2
Hampton, Kempton Gate	2.2
Cardiff, Newport Road	2.1
York, Foss Islands Retail Park	2.1
High Wycombe, Stirling Road	2.0
Rugby, Swift Point	1.9
Coventry, Skydome	1.9

**Risk & volatility statistics %**

	3 years	5 years
<b>Absolute Volatility</b>	10.3	8.6
<b>Tracking Error</b>	1.5	1.4
<b>Information Ratio</b>	0.5	0.4
<b>Beta</b>	1.0	1.0

Data is based on quarterly observations. Benchmark is the MSCI/AREF All Balanced Property Fund Index as at 30.09.2024.

**Number of properties held: 92****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.

In Jersey, the Trust is treated as an unclassified fund for the purposes of the Collective Investment Funds (Jersey) Law 1988 and regulated by the Jersey Financial Services Commission.

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.

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.

Telephone calls may be recorded.