

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS  
THREADNEEDLE UK PROPERTY AUTHORISED INVESTMENT FUND  
NOVEMBER 2021

# THREADNEEDLE UK PROPERTY AUTHORISED INVESTMENT FUND

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\*These pages comprise the Authorised Corporate Director's Report.

## Introduction

This Interim Report reviews the performance of the Threadneedle UK Property Authorised Investment Fund and the market background over the 6 months to 15 November 2021.

Columbia Threadneedle Investments has a dynamic, award winning approach to property investment. Our experienced investment team has been investing since 1994, and the focus on maintaining high yields has distinguished us from the market.

### **Stock picking is key**

We believe that specific stock selection within sectors is the primary driver of long-term performance. Our experience, resources and contacts allow us to select the most appropriate and attractively valued properties for our funds while avoiding exposure to property shares.

### **A preference for high yielding investments**

We believe that over the long term, income is the dominant component of property total returns. As such, yield is a key focus of our stock selection process.

### **Flexible buyers**

We do not populate our portfolios with trophy assets, as these frequently offer unappealing yields. Instead, we seek good value and investment potential across all sectors, geographies and lot sizes.

### **Avoid speculative development**

This kind of activity locks up capital for long periods of time and can be risky. We prefer to buy standing investments with the potential to improve returns.

### **Active asset management unlocks value**

We work hard to maximise the returns from the properties we own, refurbishing and updating buildings regularly in order to increase capital value and improve rental growth potential.

We hope that you find this Interim Report informative. If you have any further queries regarding any aspect of your investment or about other Columbia Threadneedle Investments products, please contact us directly on 0800 068 3000 (8am – 6pm Monday to Friday) or speak to your financial adviser. Alternatively, please visit [columbiathreadneedle.com](http://columbiathreadneedle.com).

## Company Information

### **Company**

Threadneedle UK Property Authorised Investment Fund Registered Number IC000976

### **Registered Office**

Cannon Place, 78 Cannon Street, London EC4N 6AG

### **Director**

There is a sole director, the Authorised Corporate Director (the ACD), which is Threadneedle Investment Services Limited.

### **Board of Directors of the ACD**

K Cates (non-executive)

J Griffiths

A Roughead (non-executive)

R Vincent

L Weatherup

## Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Interim Report and Unaudited Financial Statements for Threadneedle UK Property Authorised Investment Fund for the 6 months to 15 November 2021.

We hope that you find the report informative. Should you require any further information regarding any aspect of your investment, or about other Columbia Threadneedle products, we would be pleased to help. Alternatively, you may find it helpful to visit [columbiathreadneedle.com](http://columbiathreadneedle.com) for further information about Columbia Threadneedle.

Thank you for your continued support.

**L Weatherup**  
Director

### **DIRECTORS' STATEMENTS**

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby approve the interim Report and Unaudited Financial Statements on behalf of the Company.

**L Weatherup**  
Director  
13 January 2022

**R Vincent**  
Director

## Investment Report

### Investment Objective

It is intended that the Threadneedle UK Property Authorised Investment Fund (hereinafter referred to as the "Company" or the "Fund") be a Property Authorised Investment Fund (PAIF) at all times and so its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business as further described below. HM Revenue & Customs has confirmed to the ACD that the Company meets the requirements to qualify as a PAIF under regulation 690 of the PAIF Tax Regulations.

The objective of the Company is to obtain a total return based on income and capital appreciation predominantly through investment in certain kinds of real estate, property related securities, government and public securities and units in collective investment schemes.

### Investment Policy

Where the investment policy of the Company contains the word 'primarily', in the description of its investment policy, the Company will invest not less than two-thirds of the value of the property in the specified kind of assets.

The Company will invest primarily in UK commercial real estate. It may also invest in US or Continental European real estate, property-related securities, property investment companies, collective investment schemes (including other collective investment schemes managed, advised or operated by the ACD or its associates), cash and near cash, warrants, deposits and money market instruments. Derivatives may be used for investment purposes on the giving of 60 days' notice to Shareholders. At the date of this Prospectus derivatives are used for efficient portfolio management purposes only.

### Review

This report covers the period from 16 May 2021 to 15 November 2021.

### Status of the Company

The Company is a NON-UCITS retail Scheme for the purpose of the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) an alternative investment fund for the purpose of the Alternative Investment Fund Manager (AIFM) Directive, and a standalone company for the purposes of OEIC Regulations, each as amended from time to time.

### Property Market Commentary

The UK economy has continued its post lockdown recovery, largely fuelled by a surge in consumer spending following the easing of social distancing restrictions and the success of the vaccination rollout. The economy recorded estimated growth of 0.6% in September and 0.4% in August 2021, although notably slower than the 4.8% recorded in Quarter 2 (Q2) reflecting the rise in COVID-19 infections and subsequent "pingdemic".

Unemployment continues to decline, currently at 4.5% down from 4.6%, with Office for National Statistics figures suggesting over one million job vacancies in the three months to September, the first time since records began. Whilst the return to pre-pandemic employment levels is welcome, concerns remain over labour shortages impacting on the pace of economic recovery.

Inflationary pressures continue to be felt as a result of rising fuel and energy prices – as at September, annual Consumer Price Index stood at 3.1%, marginally down from 3.2% in August, though still significantly above the Bank of England's (BoE) target of 2.0%. The BoE has revised their forecast and estimate inflation to exceed 4.0% by year end before reverting to c3.0% in 2022.

In response to these inflationary pressures, an interest rate rise in the first half of 2022 remains a possibility and is already anticipated by money markets.

Total UK commercial property investment volumes reached £13.5bn for Q3 2021 representing a 2.5% increase on the 5 yearly quarterly average of £13.1bn. This reflects a consecutive quarter of pre-pandemic transactional levels, highlighting the renewed investor confidence in the UK property markets.

Total returns for the UK property market continue to be positive, accelerated by a recovery in All Property capital values reflecting increased confidence. As represented by the MSCI UK Monthly Property Index, the market generated total returns of 4.5% for Q3, comprising an income return of 1.2% and capital growth of 3.3%. The performance is largely driven by the continued capital value growth in the industrial/logistics sector and the resurgence of the retail warehousing sector, which has benefited from growing investor recognition given its resilience to e-commerce and relevance to future shopping habits.

Valuation movements reflected the acceleration of existing trends and the recovery of the wider economy. The industrial sector recorded capital value growth of 6.2%, while retail capital value growth grew to 3.2% (driven by the retail warehousing sub-sector recording a 5.8% gain). The office sector saw neutral capital growth as the uncertainty prevailing in the occupational markets continues as result of a structural change in working habits, albeit an improvement on the 0.3% decline in Q2. Sentiment is expected to improve further into Q4 and H1 2022 following the 19th July end of working from home legislation.

In line with capital market trends, occupier markets have been boosted by the increase in consumer and business confidence. The industrial sector has seen consecutive performance largely as a result of diminishing availability causing inflationary pressure on rents. The sector recorded rental value growth of 1.8%. The retail sector saw rental declines of -0.4%, whilst the office market saw continued growth at 0.3%, despite the structural headwinds of future working behaviours.

All market statistics are taken from the MSCI UK Monthly Property index as at 30 September 2021 unless otherwise stated.

### UK Property Market Performance 12 Months to 31 October 2021

	Retail	Office	Industrial	All property
Total Return	9.9%	2.5%	30.9%	14.7%
Income Return	7.4%	5.0%	4.5%	5.4%
Capital Growth	2.4%	(2.4)%	25.3%	8.8%
Rental Value Growth	(4.0)%	0.8%	6.6%	1.2%
Yield Impact	7.4%	(2.2)%	18.6%	8.4%

Source: MSCI UK Monthly Property index, 31 October 2021

### Portfolio Strategy and Activity

Despite the significant uncertainty caused by the pandemic and FCA review into daily traded open-ended funds, our underlying strategy remains unchanged. Income continues to constitute a major component of property returns, in line with the long-running average, meaning strong tenant retention remains key. We have always sought to invest in areas where a low supply of vacant units, combined with definitive occupier demand, significantly reduces void risk. We eschew lower-yielding trophy assets, and instead seek higher-yielding properties that undercut the market from a rent perspective and that can be upgraded to suit tenant requirements, while enhancing returns.

As COVID-19 continues to cause significant uncertainty with regard to government policy and the impact this may have on occupational markets, a highly diversified approach is key to effective risk management.

At the end of October 2021, the fund's property portfolio comprised a total of 77 properties and 467 individual tenancies. The portfolio continues to offer the benefit of exceptional diversification. By way of illustration, the ten most valuable properties represent 37% of the total portfolio value; similarly, the ten largest tenants in terms of total rental commitments represent 22% of the entire portfolio rent roll. This diversification is a central component of the fund's investment approach and acts as a powerful control on risk.

## Investment Report

(continued)

At the strategic level, the fund's investment performance over the 6 months review period benefited from its relatively high exposure to the industrial and logistics sector, which was the stand-out performer. The fund's office holdings performed well in the context of the office sector. The fund has no central London office exposure, although the majority of its business-space ownership is weighted towards the South and South East.

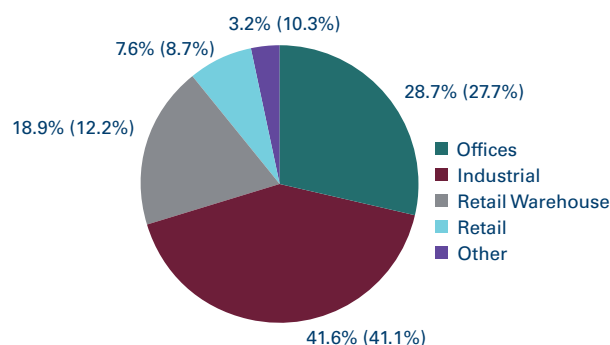
### Fund Investment Activity

The fund completed 12 transactions over the period, all of which were sales. These included a number of high street retail assets such as Broad Street Reading where the Fund strategically sought to reduce its allocation to the sector given the challenging prospects and occupational headwinds fuelled by an increase in on-line shopping and compounded by the COVID-19 pandemic. The average sale price was £4.6m, while aggregate sales proceeds totaled £51.8m in the last 6 months.

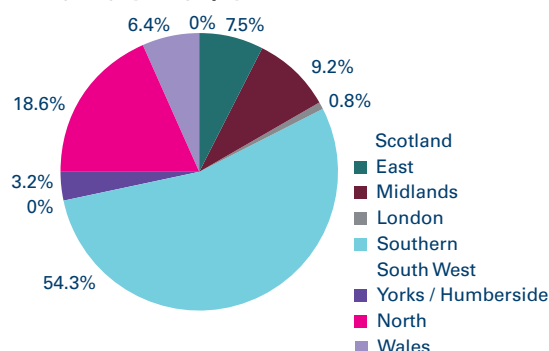
Prudent liquidity management remains one of the hallmarks of the fund's long-term strategy.

Property	Sector	Sale Period	Sale Proceeds
The Curve, Langley	Office	Q3	7,920,000
Broad Street, Reading	High Street Retail	Q4	5,700,000
Broad Street, Reading	High Street Retail	Q1	9,850,000
Broad Street, Reading	High Street Retail	Q2	950,000
Broad Street, Reading	High Street Retail	Q3	4,500,000
Darlington, Haughton Road	Retail Warehouse	Q4	2,775,741
Unit 2 South Lancashire Industrial Estate, Wigan	Industrial	Q1	1,500,000
One Kings Court, Worcester	Office	Q2	4,600,000
Jewson Depot, Spalding	Industrial	Q4	4,000,000
President Park, Sheffield	Industrial	Q1	2,775,000
St Johns Retail Park, Taunton	Retail Warehouse	Q2	6,000,000
265 Godstone Road, Kenley, Croydon	Builders Merchant	Q3	4,265,000
			<b>54,835,741</b>

### Portfolio weighting relative to IPD UK Monthly Property Index as at 31 October 2021



### Portfolio Weighting by Geography at 31 October 2021

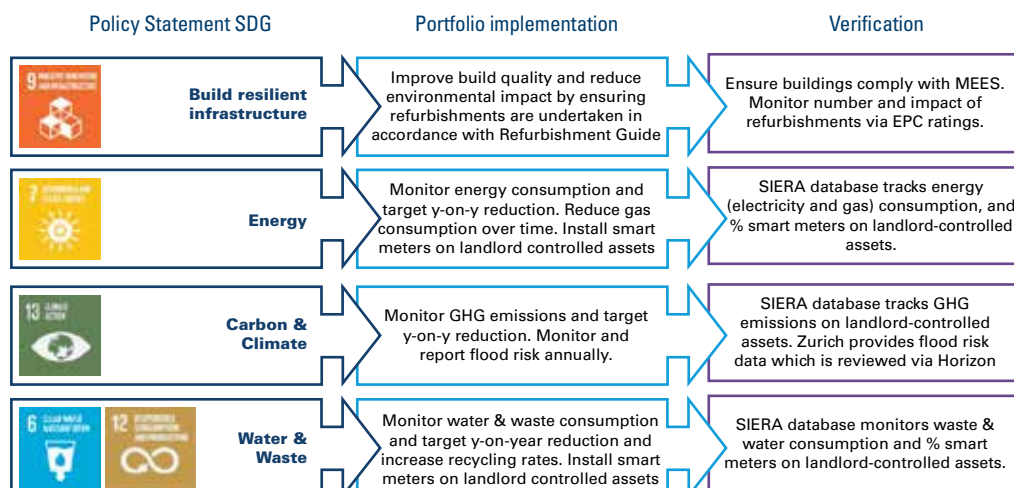


### Responsible Investment (ESG):

The fund participated in the Global Real Estate Sustainability Benchmark (GRESB) in 2021. It achieved three stars and a score of 73 out of 100.

### Responsible Investment: implementation

ESG Policy Statement sets a clearly defined Road Map to achieve corporate Sustainable Development Goals



## Investment Report

(continued)

### Market Outlook

The "All Property" Net Initial Yield at the end of October 2021 compressed 10bps to 4.7% and currently just 20 bps above the previous peak at 4.6% recorded in 2007, reflecting the strong capital gain evidenced above. With the Base Rate (0.1%) and 'risk free' rate of 10-year Gilts (0.7%) at such low levels, the commercial property market continues to assert its highly attractive relative income attributes. Whilst gilt yields continue to rise marginally (up from 0.2% at the start of 2021), property yield compression is unlikely to be tempered as the current spread reflects a generous risk premium which should absorb modest interest rate rises over the short term.

As we enter the final quarter, the UK property investment market shows no signs of slowing, with a significant weight of capital pursuing limited supply. Inflationary pressure may see further allocation of capital to the property markets as investors seek real assets that offer secure income shielded from its effects.

As highlighted in the Property Market Commentary section of this report, all investment channels are likely to face uncertainty due to the current uncertainty caused by the COVID-19 pandemic. The fund continues to be well positioned against this uncertain backdrop, owing to the following factors as at end October 2021:

- The fund has an income yield advantage versus the MSCI Monthly Property index (4.9% vs 4.7%).
- The fund has no central London exposure.
- It offers maximum diversification at both portfolio (c. 467 tenants and 77 properties) and investor levels.
- The fund features a highly liquid average lot size of c. £7.6m.
- It is positioned strategically, with a focus on the strongest underlying sub-sectors (c. 41% of direct property exposure is to the industrial market).
- There is significant potential to add value through pro-active asset management across the portfolio, despite the potential challenges caused to certain occupational markets caused by the current pandemic.
- The fund is defensively positioned, with no exposure to property company shares or speculative property development, and with zero property - level debt.

We anticipate that performance within the market will continue to diverge, most notably between the industrial/logistics sector and the high street retail sector. We expect the industrial sector to continue to outperform as competition for land, the continued trend towards online retailing, and the relatively low ongoing requirement for capital expenditure all act to increase rental and capital values. The fund's portfolio is well placed in this context, with 41% by value in the industrial/logistic sector and with a focus on estates and small-to-medium-sized warehouse facilities.

The high street retail sector will continue to face the daunting headwind of growth in online retailing, and the consequential reduction in aggregate demand for physical retail accommodation. However, this will not be a uniform effect: dominant retail centres that offer a broader leisure experience, convenience offerings and appealing shopping environments are likely to prove more resilient, although this largely depends on government restrictions being eased in order for these businesses to benefit from the same footfall and spend as prior to the COVID-19 pandemic.

In keeping with its fundamental philosophy, the fund continues to offer a highly appealing distribution yield. Over the twelve months to 15 November 2021, the fund's distribution yield to shareholders has been 3.99%. Given the anticipated outlook, which features lower nominal total returns, this superior distribution yield represents an enhanced relative performance advantage for the fund.

Controls and risk management remain central to the overall management of the fund. Liquidity will continue to be controlled as circumstances require, ensuring the appropriate protection of shareholders' interests. We also expect the fund's excellent portfolio diversification to remain a significant positive in terms of performance and risk mitigation.

### Performance

2021 Year to date Property has delivered strong returns, the case for property remains compelling on an income and portfolio-diversification basis. Our highly selective investment strategy focuses on a forensic analysis of all sectors nationwide and underpins the positioning of our highly diverse fund, which has delivered a high and sustainable income yield.

The Fund is ranked in the second quartile of the All Property Direct Index over 6 months, and 12 months to 31 October 2021 (latest available data).

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund

### Retail

Less than £1 million in Value	% of Total Assets 0.25 (0.24)	Total Market Value £1.5m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Bedford</b> <b>1-3 Silver Street</b> Freehold retail unit and upper floors totalling 8,619 sq ft.			JD Sports Fashion Plc AM2PM Healthcare Ltd	£50,000 £20,000	N/A N/A
<b>Cheltenham</b> <b>112/114 &amp; 118/120 Promenade</b> Freehold double corner retail unit totalling 2,287 sq ft.			Vacant	£0	N/A

Between £1 million and £2.5 million in Value	% of Total Assets 1.99 (2.14)	Total Market Value £11.8m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Accrington</b> <b>Broadway &amp; Market Walk</b> Freehold, two terraced retail parades with a total of eleven purpose built retail units. Property totals 58,774 sq ft.			Various	£270,500	25/07/2021 (o/s)
<b>Carmarthen</b> <b>Units 2-12 Red Street</b> Freehold parade of seven retail units which are arranged over ground and first floors. Property totals 19,134 sq ft.			Various	£285,500	01/05/2019 (o/s)
<b>Carmarthen</b> <b>15-23 Red Street &amp; Units 1-4, 15 John Street</b> Leasehold, parade of nine retail units constructed in the 1970s. Predominantly arranged over ground and two upper floors. Property totals 39,465 sq ft.			Various	£290,900	08/08/2021 (o/s)
<b>Cheltenham</b> <b>108-110 The Promenade</b> Freehold, Grade II listed semi-detached two storey building with mezzanine and attic floors. Two retail units over ground and mezzanine floors, with ancillary accommodation to the remaining ground and upper floor areas. Property totals 8,963 sq ft.			Joules Vinegar Hill	£155,000 £165,000	N/A N/A
<b>Ipswich</b> <b>30-36 Tavern Street</b> Freehold. Four retail units arranged over basement ground and two upper floors. Grade II listed. Property totals 7,736 sq ft.			Various	£66,850	06/05/2025



## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Retail *(continued)*

Between £1 million and £2.5 million in Value	% of Total Assets 1.99 (2.14)	Total Market Value £11.8m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Ipswich</b> <b>24/28 Tavern Street and 4/8 Dial Lane</b> Freehold, block of six retail units arranged over basement ground and three upper floors. Property totals 16,594 sq ft.			Various	£64,600	23/03/2022
<b>Stevenage</b> <b>9-11 The Forum</b> Freehold, two retail units constructed in 1975. Property totals 33,178 sq ft.			New Look Retailers Ltd Wawelski Ltd	£0 £43,500	N/A 02/12/2021 (o/s)



Ipswich  
4/8 Dial Lane

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Retail *(continued)*

Between £2.5 million and £5 million in Value	% of Total Assets 2.08 (2.73)	Total Market Value £12.3m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Brighton</b> <b>Units 1-4, The Abacus</b> Long Leasehold, terrace of four retail units over ground and basement totalling 30,882 sq ft.			Various	£480,900	18/09/2020 (o/s)
<b>Ipswich</b> <b>18/20/22 Tavern Street &amp; 13-15/17/18-19 Buttermarket</b> Freehold unbroken block of six retail units, three fronting Tavern Street and three fronting Buttermarket. Property totals 43,762 sq ft.			Various	£495,000	28/06/2023
<b>Nottingham</b> <b>1-8 Exchange Walk &amp; 5-7 St Peters Gate</b> Freehold, parade of six retail units plus one retail unit on St Peters Gate. Each unit is generally over ground and first floors with two units having basements. Property totals 19,977 sq ft.			Various	£458,250	02/10/2020 (o/s)

Over £5 million in Value	% of Total Assets (3.76)	Total Market Value	Principal Tenants	Rental Income per annum	Next Rent Review



Ipswich  
Tavern Street

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Retail Warehouse

Between £1 million and £2.5 million in Value	% of Total Assets 0.89 (0.93)	Total Market Value £5.3m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Nuneaton</b> <b>Newtown Road</b> Freehold retail warehouse, built in the late 1980s. Externally there is parking for 68 cars. Property totals 13,157 sq ft.			Halfords Ltd	£197,085	N/A
<b>Wellingborough</b> <b>Victoria Retail Park</b> Freehold, L-shaped detached single storey purpose built retail warehouse. Property totals 9,169 sq ft.			Halfords Ltd	£147,632	N/A
<b>Winnersh</b> <b>612 Reading Road</b> Freehold modern retail warehouse with mezzanine sales and storage area installed by the tenant. Externally there are 34 parking spaces. Property totals 7,357 sq ft.			Halfords Ltd	£127,364	N/A
<b>Wrexham</b> <b>36 Mount Street</b> Freehold retail warehouse, built in the early 1990s totalling 14,955 sq ft. A mezzanine sales and storage area has been installed by the tenant. There are 75 car spaces.			Halfords Ltd	£209,244	N/A

Between £2.5 million and £5 million in Value	% of Total Assets 1.25 (1.58)	Total Market Value £7.4m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Coventry</b> <b>Matalan Wheler Road</b> Leasehold. Two bay retail warehouse built in 1986. Ground floor sales with tenant fitted mezzanine used for storage. Property totals 36,323 sq ft with 203 car parking spaces.			Matalan Retail Ltd	£545,850	21/12/2020 (o/s)
<b>Llandudno</b> <b>B&amp;Q</b> Leasehold single detached retail warehouse unit. Property totals 38,991 sq ft.			B&Q Ltd	£0	N/A

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Retail Warehouse *(continued)*

Over £5 million in Value	% of Total Assets 14.8 (8.52)	Total Market Value £87.7m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Cardiff</b> <b>City Link Retail Park</b> Freehold retail warehouse park providing twelve units totalling 118,623 sq ft., with 469 car parking spaces.			Various	£1,461,322	17/10/2021 (o/s)
<b>Fareham</b> <b>Collingwood Retail Park</b> Freehold purpose built retail warehouse park of four units and a restaurant 'pod' totalling 76,520 sq ft. with 372 car parking spaces.			Various	£998,239	29/01/2021 (o/s)
<b>Holyhead</b> <b>Holyhead Retail Park</b> Freehold retail warehouse park, built in 2005. The park is configured as a retail terrace of five units with a stand-alone Wilkinsons store and a fast food unit. Externally, there are 206 parking spaces. Property totals 62,750 sq ft.			Various	£595,783	25/03/2020 (o/s)
<b>Reading</b> <b>Reading Retail Park</b> Freehold retail warehouse park of eight units totalling 118,352 sq ft with 430 car parking spaces.			Various	£2,126,766	22/07/2020 (o/s)
<b>Southport</b> <b>Ocean Plaza, Marine Parade</b> Freehold, large retail and leisure park on the edge of Southport town centre. The retail element comprises a terrace of five units, a detached retail warehouse unit and two restaurants. The leisure element comprises a single detached unit which has been divided to provide a gym, a seven screen cinema, bowling alley and a further eight restaurant and leisure units. The Premier Inn on the site has been sold off on a long lease.			Various	£2,093,775	24/06/2022



Reading Retail Park

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Offices

Between £2.5 million and £5 million in Value	% of Total Assets 1.97 (1.10)	Total Market Value £11.7m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Bristol</b> <b>715 Aztec West</b> Freehold two storey modern office building on an established business park totalling 17,631 sq ft.			Imagination Technologies Ltd Antillion Ltd	£135,365 £55,188	09/11/2021 (o/s)
<b>Bristol</b> <b>1300 Parkway North</b> Freehold, detached three-storey HQ style building. The property totals 30,175 sq ft with 140 car parking spaces.			The Secretary of State for Defence	£529,480	N/A
<b>Fareham</b> <b>Eagle Point, Segensworth</b> Leasehold, detached three storey office building built in 2004. Externally there are 109 parking spaces. Property totals 29,228 sq ft.			Various	£207,500	N/A

Over £5 million in Value	% of Total Assets 23.23 (25.04)	Total Market Value £137.7m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Bristol</b> <b>Unit H1, Harlequin Office Park</b> Freehold, detached three storey office building. Constructed in 2009. Property totals 26,871 sq ft. There are 122 car parking spaces.			ALD Automotive Ltd	£567,693	N/A
<b>Bristol</b> <b>Prudential Buildings, Wine Street</b> Leasehold city centre office block over basement, ground and six upper floors. The property totals 64,373 sq ft. with 24 car parking spaces.			Various	£693,943	21/07/2022



**Bristol**  
**Prudential Buildings, Wine Street**

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Offices *(continued)*

Over £5 million in Value	% of Total Assets 23.23 (25.04)	Total Market Value £137.7m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Chelmsford</b> <b>One Legg Street</b> Freehold, an office building constructed in 1991 that incorporates a grade 2 listed building – King William House. Accommodation is arranged over basement and five upper floors and four floors respectively. Property totals 75,404 sq ft.			Various	£128,080	14/02/2020 (o/s)
<b>Crawley</b> <b>1 Forest Gate</b> Freehold, detached office building constructed in 1993. Arranged over ground and two upper floors. There is external car parking totalling 126 spaces. Property totals 23,090 sq ft.			KPMG LLP Instant Managed Offices	£251,966 £349,360	24/06/2023
<b>Fareham</b> <b>Fusion - Buildings 1-3</b> Freehold, business park development constructed in 1987 providing 157,211 sq. ft of grade A refurbished office accommodation across three buildings together with surface car parking at a ratio of 1:194 sq ft.			Various	£2,166,795	22/10/2021 (o/s)
<b>Guildford</b> <b>Hays House</b> Freehold detached modern office building over ground and two upper floors. The property totals 18,428 sq ft. with 21 car parking spaces.			Various	£440,604	31/08/2021 (o/s)



**Crawley**  
1 Forest Gate



**Fusion Solent Business Park**



**Guildford**  
Hays House

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Offices *(continued)*

Over £5 million in Value	% of Total Assets 23.23 (25.04)	Total Market Value £137.7m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Hemel Hempstead</b> <b>Hemel One</b> Freehold, detached office building arranged over ground and three upper floors constructed in the 1980s. There are 434 car parking spaces externally. Property totals 91,742 sq ft.			Various	£850,894	18/07/2020 (o/s)
<b>Luton</b> <b>400, 450, 475 Capability Green</b> Freehold office campus of three detached buildings arranged around a central courtyard. The property totals 90,495 sq ft. with a total of 492 car parking spaces.			Various	£977,613	08/04/2021 (o/s)
<b>Quinton</b> <b>Buildings 4,7,8 &amp; 9, Quinton Business Park</b> Long leasehold, four modern business park office buildings built in the mid 2000's. Buildings 4 and 9 are three storey and buildings 7 and 8 are two storey. Property totals 76,856 sq ft, together with 380 external surface parking spaces.			Various	£933,119	18/10/2021 (o/s)
<b>Solihull</b> <b>Birmingham International Park</b> Freehold, three detached Grade A office buildings arranged over three storeys. The property totals 70,966 sq ft.			Fair Isaac Services Ltd Robert Half Ltd	£525,000 £293,013	25/04/2024

### Supermarket

Between £2.5 million and £5 million in Value	% of Total Assets 0.73 (0.01)	Total Market Value £4.3m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Boscombe</b> <b>The Former Superstore, Sovereign Centre</b> Freehold. Former Sainsbury supermarket located in The Sovereign Centre. Divided into two sublet retail units. Ground and first floor levels. Totals 50,235 sq ft.			Sainsbury Stores Ltd	£454,500	N/A

### Industrial

Less than £1 million in Value	% of Total Assets 0.05 (0.18)	Total Market Value £0.3m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Stowmarket</b> <b>Development Site D, Gipping Way</b> Freehold development site extending to approximately 1.54 acres.			Development Site D	£0	N/A

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Industrial *(continued)*

Between £1 million and £2.5 million in Value	% of Total Assets 1.32 (1.45)	Total Market Value £7.8m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Stanley</b> <b>Tanfield Lea North Estate</b> Freehold, purpose built production facility with ancillary and office space. Property totals 58,197 sq ft after significant extension.			KP Snacks Ltd	£95,000	22/04/2021 (o/s)
<b>Stevenage</b> <b>Unit 11, Babbage Road</b> Freehold, standalone single storey warehouse with adjoining brick built office building. External yard with customer parking area. Property totals 16,900 sq ft.			Vacant	£0	N/A
<b>Sunderland</b> <b>Pennywell Industrial Estate</b> Freehold. The property comprises ten originally constructed units, which have subsequently been modified to provide five self-contained units. Property totals 45,747 sq ft.			Various	£157,476	N/A
<b>Tewkesbury</b> <b>Unit 11 Shannon Way, Tewkesbury Business Park</b> Freehold, detached 1980's portal frame warehouse with office accommodation to the front. Property totals 19,460 sq ft.			Solstice Distribution Ltd	£135,000	17/12/2025

Between £2.5 million and £5 million in Value	% of Total Assets 7.54 (9.28)	Total Market Value £44.7m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Barnard Castle</b> <b>Harmire Enterprise Park</b> Freehold, multi-let industrial estate, providing 29 office and industrial/warehouse units, 11 of which have been sold on long leases. The remaining units total 40,626 sq ft.			Various	£247,073	N/A
<b>Chester</b> <b>Calders Phase II</b> Long leasehold, two modern industrial warehouse units with yard and car parking areas totalling 40,275 sq ft.			Calder Industrial Materials Ltd Harlech Foodservice Ltd	£166,488 £50,000	24/08/2025 N/A
<b>Crowborough</b> <b>April Court Sybron Way</b> FH, 1980s built industrial complex comprising 16 units with a total floor area of 31,410 sq ft. Generally configured with ground floor industrial/trade counter space and office accommodation at first floor level.			Various	£147,170	04/12/2022
<b>Gloucester</b> <b>11C Barnett Way, Barnwood</b> Freehold. Detached warehouse unit with integral two storey office accommodation. Constructed in 1982. Property totals 52,877 sq ft.			Vacant	£0	N/A
<b>Jarrow</b> <b>Viking Industrial Park</b> Freehold. Two detached industrial units, constructed in 2002. Property totals 38,117 sq ft.			UTS Engineering Ltd Libra Seafood Processing Ltd Northern Electric plc	£97,000 £68,900 £0	N/A N/A 23/02/2024
<b>Knottingley</b> <b>A1 Business Park, Unit A1</b> Freehold, a detached industrial/warehouse unit with integral single storey office and kitchen/staff facilities. Constructed in 1997. Property totals 53,077 sq ft.			Joule Hot Water Systems UK Ltd	£260,000	25/09/2021



## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Industrial *(continued)*

Between £2.5 million and £5 million in Value	% of Total Assets 7.54 (9.28)	Total Market Value £44.7m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Rochester</b> <b>Trident Close, Medway City Estate</b> Freehold, detached stand alone industrial unit with offices to the first floor. Property totals 45,069 sq ft.			Key Promotions (UK) Ltd	£250,000	20/08/2021 (o/s)
<b>Southampton</b> <b>Units 29 &amp; 30 Solent Industrial Estate</b> Freehold, the property comprises two 1970s built industrial units on a broadly rectangular site, extending to 1.85 acres with a site coverage of 47%. Property totals 39,303 sq ft.			Vacant	£0	N/A
<b>Stroud</b> <b>Units 10-15 Stonehouse IE</b> Freehold, a terrace of six industrial units. Varying in size, each has ancillary office accommodation and parking to the front. Property totals 39,041 sq ft.			Various	£217,959	01/11/2021 (o/s)
<b>Swindon</b> <b>Cheney Manor Industrial Estate</b> Freehold, seven modern industrial units arranged in two terraces and a standalone unit. Property totals 39,143 sq ft. Each unit has 8 car parking spaces to the front.			Various	£220,183	14/03/2022
<b>Waterlooville</b> <b>Brambles House, Waterberry Drive</b> Leasehold, detached industrial warehouse building constructed in 1992 totalling 55,154 sq ft.			Stan Chem International Ltd	£317,150	16/06/2021 (o/s)
<b>Wellingborough</b> <b>Units D-F, Whittle Close</b> Leasehold. Three detached industrial warehouse units, all with two storey offices. The property totals 58,177 sq ft. Externally there are 58 car parking spaces.			Various	£201,000	N/A

Over £5 million in Value	% of Total Assets 28.02 (20.03)	Total Market Value £166.1m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Basildon</b> <b>Bakers Court Industrial Estate</b> Freehold, multi-let industrial/trade counter estate of 22 units totalling 68,260 sq ft.			Various	£453,272	23/09/2020 (o/s)
<b>Basildon</b> <b>MSX International House</b> Freehold, vacant. The property provides office and warehouse accommodation totalling 34,874 sq ft.			Vacant	£0	N/A
<b>Basildon</b> <b>Wollaston Industrial Estate</b> Freehold, large multi-let industrial estate, various unit sizes and types. Let on a mixture of leaseholds and long leaseholds. Property totals 176,727 sq ft.			Various	£452,116	27/07/2022
<b>Coventry</b> <b>Siskin Parkway East</b> Leasehold, two adjoining warehouse units occupied as one totalling 83,051 sq ft.			Gefco UK Ltd	£470,000	N/A
<b>Cramlington</b> <b>South Nelson Industrial Estate</b> Freehold. 44 units, consisting of industrial / distribution warehouse accommodation. One unit has been sold on a long lease. Property totals 197,320 sq ft.			Various	£1,049,814	18/04/2022

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Industrial *(continued)*

Over £5 million in Value	% of Total Assets 28.02 (20.03)	Total Market Value £166.1m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Eastleigh</b> <b>Avalon, Parham Drive</b> Freehold, a purpose built high bay warehouse dating to 1970/1980's with additional production and dispatch areas with lower eaves. Property totals 100,206 sq ft.			Vacant Southern Electric Power Distribution	£0 £1	N/A
<b>Middleton</b> <b>Plot C Touchet Hall Road</b> Freehold. Purpose built warehouse unit constructed in 1991 with car parking to the front and loading yard at the rear. Property totals 64,265 sq ft.			Booker Ltd	£305,950	14/10/2021 (o/s)
<b>North Shields</b> <b>West Chirton Industrial Estate</b> Freehold, six detached and three terraced industrial units constructed in the 1980s. Mixture of dedicated and shared service and car parking areas. Property totals 110,778 sq ft.			Various	£384,415	01/08/2022
<b>North Tyneside</b> <b>New York Industrial Estate</b> Freehold, multi-let industrial estate, providing 20 industrial/distribution warehouse units. 12 have been sold on long leases. The remaining units total 81,334 sq ft.			Various	£311,480	16/08/2021 (o/s)
<b>Norwich</b> <b>Link 47, Longwater Business Park</b> Freehold. Three modern trade-counter/warehouse units totalling 41,240 sq ft together with 1 acre of storage land.			Various	£361,000	02/02/2021 (o/s)
<b>Poole</b> <b>D'Oriel House Halton Road</b> Freehold, large detached mid-1980s built warehouse unit with integral two storey offices to the front. Property totals 76,413 sq ft.			Ashley Pollock Ltd, Wyderington Ltd and Parley	£420,000	N/A



**Poole**  
D'Oriel House Halton Road

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Industrial *(continued)*

Over £5 million in Value	% of Total Assets 28.02 (20.03)	Total Market Value £166.1m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Royston</b> <b>Bruel &amp; Kjaer, Jarman Way</b> Freehold, purpose built industrial warehouse unit constructed in 2008 with ancillary office arranged over three floors. Property totals 57,320 sq ft.			Bruel & Kjaer VTS Ltd	£500,000	N/A
<b>Stowmarket</b> <b>Bosch Facility &amp; development sites A,B,C, Gipping Way</b> Freehold, a production, research and testing warehouse plus adjoining office and development sites. Property totals 192,003 sq ft.			Bosch Lawn & Garden Ltd	£615,000	01/01/2023
<b>Sunderland</b> <b>Boldon Business Park</b> Freehold. Comprising 28 units, of which 15 are sold on long leases. The remaining units comprise industrial/distribution warehouse accommodation totalling 139,494 sq ft.			Various	£692,353	10/01/2021 (o/s)
<b>Sunderland</b> <b>West Quay Court</b> Freehold industrial estate, comprising a well specified production facility/distribution warehouse. Eight units totalling 124,450 sq ft.			Various	£246,133	06/03/2023
<b>Swindon</b> <b>Amazon, Unit 7, South Marston</b> Leasehold detached industrial warehouse unit totalling 209,239 sq ft. with surface yard and car parking areas.			Amazon UK Services Ltd	£977,507	02/05/2022



**Swindon**  
**Amazon, Unit 7, South Marston**

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Industrial *(continued)*

Over £5 million in Value	% of Total Assets 28.02 (20.03)	Total Market Value £166.1m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Thornbury</b> <b>The Hemingway Business Centre</b> Leasehold, 15 light industrial units arranged in three terraces, constructed in the early 1970s. Primarily provide ground floor warehouse accommodation with ancillary office blocks. Property totals 68,317 sq ft.			Various	£343,604	21/06/2023
<b>Thornbury</b> <b>Units 17-30 Thornbury IE</b> Long leasehold, 14 industrial units of varying age located throughout Thornbury Industrial Estate. Property totals 57,546 sq ft.			Various	£372,626	08/10/2023
<b>Winsford</b> <b>One 100 Road One</b> Freehold, standalone industrial unit with yard and car parking spaces to the front. Constructed in 1977 the unit has 2 x two storey integral block built offices. Property totals 103,586 sq ft.			Howard Tenens (Winsford) Ltd	£445,420	N/A

### Leisure

Between £2.5 million and £5 million in Value	% of Total Assets 0.64 (0.60)	Total Market Value £3.8m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Brighton</b> <b>The Boardwalk Restaurants</b> Long leasehold, The Boardwalk development comprises a modern mixed-use leisure scheme of 7 restaurant units totalling 26,850 sq ft (2,494 sq m) and 8 upper floors comprising 195 residential units across two towers. The residential units have been separately sold off.			Various	£277,125	01/04/2021 (o/s)

Over £5 million in Value	% of Total Assets 2.19 (5.73)	Total Market Value £13.0m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Bradford</b> <b>Gallagher Leisure Park, Dick Lane</b> Freehold, a modern, refurbished mixed use leisure scheme comprising an Odeon cinema, a gym, KFC and Costa Drive-Thru. Property totals 79,783 sq ft with 758 car parking spaces.			Various	£1,179,240	29/09/2021 (o/s)

## Property Portfolio of the Threadneedle UK Property Authorised Investment Fund *(continued)*

### Shopping Centres

Over £5 million in Value	% of Total Assets 1.57 (1.43)	Total Market Value £9.3m	Principal Tenants	Rental Income per annum	Next Rent Review
<b>Braintree</b> <b>George Yard Shopping Centre</b> Freehold town centre open shopping centre of 33 retail units and 3 office suites.			Various	£1,019,479	Various



George Yard Braintree

## Financial Statements

### STATEMENT OF TOTAL RETURN

for the accounting period 16 May 2021 to 15 November 2021

	2021 £000	2020 £000
Income		
Net capital gains/(losses)	18,207	(25,232)
Revenue	20,249	32,795
Expenses	(6,639)	(12,612)
Net revenue before taxation	13,610	20,183
Taxation	–	–
Net revenue after taxation	13,610	20,183
<b>Total return</b>	<b>31,817</b>	<b>(5,049)</b>
Distributions	(14,272)	(21,204)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>17,545</b>	<b>(26,253)</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 16 May 2021 to 15 November 2021

	2021 £000	2020 £000
<b>Opening net assets attributable to shareholders</b>	<b>655,115</b>	<b>1,032,843</b>
Amounts receivable on the issue of shares	89,213	35,622
Amounts payable on cancellation of shares	(185,475)	(212,626)
	(96,262)	(177,004)
Dilution adjustment	3,344	4,623
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	17,545	(26,253)
Retained distribution on accumulation shares	13,009	17,761
<b>Closing net assets attributable to shareholders</b>	<b>592,751</b>	<b>851,970</b>

The comparatives used within the Statement of Change in Net Assets Attributable to Shareholders are for the corresponding period of the previous year. Therefore the opening net assets attributable to shareholders for the current year are at 15 May 2021 whilst the figure disclosed in the comparatives' closing net assets attributable to shareholders is at 15 November 2020.

### BALANCE SHEET

as at 15 November 2021

	2021 £000	2020 £000
<b>Assets:</b>		
<b>Fixed assets:</b>		
<b>Tangible assets:</b>		
Investment properties	528,614	554,351
	528,614	554,351
<b>Current assets:</b>		
Debtors	4,609	19,642
Cash and bank balances	75,492	105,515
Cash equivalents	14	14
Total assets	608,729	679,522
<b>Liabilities:</b>		
<b>Creditors:</b>		
Other creditors	(15,556)	(23,260)
Distribution payable	(422)	(1,147)
Total liabilities	(15,978)	(24,407)
<b>Net assets attributable to shareholders</b>	<b>592,751</b>	<b>655,115</b>

### CASH FLOW STATEMENT

for the accounting period 16 May 2021 to 15 November 2021

	2021 £000	2020 £000
<b>Cash flows from operating activities</b>		
Operating profit for the period	13,610	20,183
Decrease/(increase) in debtors	5,924	(6,382)
(Decrease)/increase in creditors	(2,959)	7,561
<b>Cash from operations</b>	<b>16,575</b>	<b>21,362</b>
Taxation	(288)	(434)
<b>Net cash inflows from operating activities</b>	<b>16,287</b>	<b>20,928</b>
<b>Cash flows from investing activities</b>		
Capital Expenditure	(4,471)	(3,049)
Payments to acquire investments	–	(56)
Receipts from the sale of land and buildings	54,093	26,162
Receipts from the sale of investments	–	76,000
<b>Net cash from investing activities</b>	<b>49,622</b>	<b>99,057</b>
<b>Cash flows from financing activities</b>		
Distributions paid	(1,207)	(2,176)
Amounts received on issue of shares	93,434	38,370
Amounts paid on cancellation of shares	(188,159)	(202,572)
<b>Net cash used in financing activities</b>	<b>(95,932)</b>	<b>(166,378)</b>
Net decrease in cash and cash equivalents	(30,023)	(46,393)

### DISTRIBUTION TABLE

for the accounting period 16 May 2021 to 15 November 2021

Distribution in pence per share

#### Class 1 – Income shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2021/2022	Prior year Paid 2020/2021
<b>Group 1</b>						
16/05/21 to 15/08/21	0.7852	0.0957	0.6895	–	0.6895	0.5744
16/08/21 to 15/11/21	0.6196	0.0496	0.5700	–	0.5700	0.5856
<b>Group 2</b>						
16/05/21 to 15/08/21	0.3725	0.0454	0.3271	0.3624	0.6895	0.5744
16/08/21 to 15/11/21	0.1606	0.0129	0.1477	0.4223	0.5700	0.5856
<b>Total distributions in the period</b>					<b>1.2595</b>	<b>1.1600</b>

#### Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2021/2022	Prior year Accumulated 2020/2021
<b>Group 1</b>						
16/05/21 to 15/08/21	1.4443	0.1768	1.2675	–	1.2675	1.0140
16/08/21 to 15/11/21	1.1520	0.0922	1.0598	–	1.0598	1.0433
<b>Group 2</b>						
16/05/21 to 15/08/21	0.7364	0.0901	0.6463	0.6212	1.2675	1.0140
16/08/21 to 15/11/21	0.4271	0.0342	0.3929	0.6669	1.0598	1.0433
<b>Total distributions in the period</b>					<b>2.3273</b>	<b>2.0573</b>

#### Class 1 – Gross income shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2021/2022	Prior year Paid 2020/2021
<b>Group 1</b>						
16/05/21 to 15/08/21	0.7855	–	0.7855	–	0.7855	0.6452
16/08/21 to 15/11/21	0.6205	–	0.6205	–	0.6205	0.6578
<b>Group 2</b>						
16/05/21 to 15/08/21	0.7855	–	0.7855	–	0.7855	0.6452
16/08/21 to 15/11/21	0.6205	–	0.6205	–	0.6205	0.6578
<b>Total distributions in the period</b>					<b>1.4060</b>	<b>1.3030</b>

#### Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Gross Revenue Accumulated 2021/2022	Prior year Accumulated 2020/2021
<b>Group 1</b>						
16/05/21 to 15/08/21	1.4891	–	1.4891	–	1.4891	1.1688
16/08/21 to 15/11/21	1.1900	–	1.1900	–	1.1900	1.2039
<b>Group 2</b>						
16/05/21 to 15/08/21	0.9620	–	0.9620	0.5271	1.4891	1.1688
16/08/21 to 15/11/21	1.1356	–	1.1356	0.0544	1.1900	1.2039
<b>Total distributions in the period</b>					<b>2.6791</b>	<b>2.3727</b>

## Financial Statements

(continued)

### Class 2 – Income shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2021/2022	Prior year Paid 2020/2021
<b>Group 1</b>						
16/05/21 to 15/08/21	0.9160	0.1380	0.7780	–	0.7780	0.6464
16/08/21 to 15/11/21	0.7254	0.0861	0.6393	–	0.6393	0.6539
<b>Group 2</b>						
16/05/21 to 15/08/21	0.4712	0.0710	0.4002	0.3778	0.7780	0.6464
16/08/21 to 15/11/21	0.2774	0.0329	0.2445	0.3948	0.6393	0.6539
<b>Total distributions in the period</b>					<b>1.4173</b>	<b>1.3003</b>

### Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Net Revenue Accumulated 2021/2022	Prior year Accumulated 2020/2021
<b>Group 1</b>						
16/05/21 to 15/08/21	1.6344	0.2448	1.3896	–	1.3896	1.1102
16/08/21 to 15/11/21	1.3095	0.1555	1.1540	–	1.1540	1.1346
<b>Group 2</b>						
16/05/21 to 15/08/21	0.9071	0.1359	0.7712	0.6184	1.3896	1.1102
16/08/21 to 15/11/21	0.6569	0.0780	0.5789	0.5751	1.1540	1.1346
<b>Total distributions in the period</b>					<b>2.5436</b>	<b>2.2448</b>

### Class 2 – Gross income shares

Distribution Period	Gross Revenue	Net Revenue	Equalisation	Distribution Paid/Payable 2021/2022	Prior year Paid 2020/2021	
<b>Group 1</b>						
16/05/21 to 15/08/21	0.9168	–	0.9168	–	0.7579	
16/08/21 to 15/11/21	0.7256	–	0.7256	–	0.7662	
<b>Group 2</b>						
16/05/21 to 15/08/21	0.4501	–	0.4501	0.4667	0.7579	
16/08/21 to 15/11/21	0.2351	–	0.2351	0.4905	0.7662	
<b>Total distributions in the period</b>					<b>1.6424</b>	<b>1.5241</b>

### Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Net Revenue	Equalisation	Gross Revenue Accumulated 2021/2022	Prior year Accumulated 2020/2021	
<b>Group 1</b>						
16/05/21 to 15/08/21	1.7028	–	1.7028	–	1.3451	
16/08/21 to 15/11/21	1.3651	–	1.3651	–	1.3733	
<b>Group 2</b>						
16/05/21 to 15/08/21	0.8247	–	0.8247	0.8781	1.3451	
16/08/21 to 15/11/21	0.5882	–	0.5882	0.7769	1.3733	
<b>Total distributions in the period</b>					<b>3.0679</b>	<b>2.7184</b>

### Class F – Gross accumulation shares

Distribution Period	Gross Revenue	Net Revenue	Equalisation	Gross Revenue Accumulated 2021/2022	Prior year Accumulated 2020/2021	
<b>Group 1</b>						
16/05/21 to 15/08/21	7.4236	–	7.4236	–	5.8342	
16/08/21 to 15/11/21	5.9738	–	5.9738	–	5.9636	
<b>Group 2</b>						
16/05/21 to 15/08/21	3.4400	–	3.4400	3.9836	5.8342	
16/08/21 to 15/11/21	2.8850	–	2.8850	3.0888	5.9636	
<b>Total distributions in the period</b>					<b>13.3974</b>	<b>11.7978</b>

## Financial Statements

(continued)

### Comparative Table Disclosure

	Class 1 – Income shares			Class 1 – Accumulation shares		
	15/11/2021	15/05/2021	15/05/2020	15/11/2021	15/05/2021	15/05/2020
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	60.44	63.02	69.75	111.09	111.25	117.71
Return before operating charges and property expenses (p)	4.19	2.37	(1.44)	7.78	4.25	(2.58)
Operating charges (p)**	(0.48)	(0.98)	(1.11)	(0.90)	(1.75)	(1.91)
Property expenses (p)***	(0.56)	(1.19)	(0.71)	(1.03)	(2.13)	(1.22)
Return after operating charges and property expenses (p)*	3.15	0.20	(3.27)	5.85	0.37	(5.71)
Distributions (p)	(1.40)	(2.78)	(3.46)	(2.60)	(4.97)	(5.94)
Retained distribution on accumulation shares (p) <sup>f</sup>	–	–	–	2.33	4.44	5.19
Closing net asset value per share (p)	62.19	60.44	63.02	116.67	111.09	111.25
*after direct transaction costs (p)	0.07	0.26	0.23	0.14	0.46	0.39
<b>Performance</b>						
Return after charges (%)	5.21	0.31	(4.68)	5.27	0.33	(4.85)
<b>Other information</b>						
Closing net asset value (£'000)	506	557	863	10,954	11,495	13,924
Closing number of shares	813,862	922,432	1,368,439	9,389,255	10,348,279	12,515,957
Operating charges (%)***	1.57	1.58	1.62	1.57	1.58	1.62
Property expenses (%)***	1.81	1.93	1.04	1.81	1.93	1.04
Direct transaction costs (%)****	0.24	0.42	0.33	0.24	0.42	0.33
<b>Prices</b>						
Highest share price (p)	62.76	63.05	70.12	116.66	111.45	118.34
Lowest share price (p)	60.45	60.53	68.55	111.11	109.98	116.94

	Class 1 – Gross income shares			Class 1 – Gross accumulation shares		
	15/11/2021	15/05/2021	15/05/2020	15/11/2021	15/05/2021	15/05/2020
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	60.42	63.01	69.74	114.53	114.16	120.02
Return before operating charges and property expenses (p)	4.20	2.35	(1.44)	8.03	4.37	(2.66)
Operating charges (p)**	(0.48)	(0.98)	(1.11)	(0.92)	(1.80)	(1.95)
Property expenses (p)***	(0.56)	(1.19)	(0.71)	(1.07)	(2.20)	(1.25)
Return after operating charges and property expenses (p)*	3.16	0.18	(3.26)	6.04	0.37	(5.86)
Distributions (p)	(1.41)	(2.77)	(3.47)	(2.68)	(5.11)	(6.08)
Retained distribution on accumulation shares (p) <sup>f</sup>	–	–	–	2.68	5.11	6.08
Closing net asset value per share (p)	62.17	60.42	63.01	120.57	114.53	114.16
*after direct transaction costs (p)	0.07	0.26	0.23	0.14	0.47	0.39
<b>Performance</b>						
Return after charges (%)	5.23	0.29	(4.68)	5.27	0.32	(4.88)
<b>Other information</b>						
Closing net asset value (£'000)	46	51	110	45,809	43,022	40,263
Closing number of shares	73,915	84,088	173,788	37,995,188	37,563,763	35,270,699
Operating charges (%)***	1.57	1.58	1.62	1.57	1.58	1.62
Property expenses (%)***	1.81	1.93	1.04	1.81	1.93	1.04
Direct transaction costs (%)****	0.24	0.42	0.33	0.24	0.42	0.33
<b>Prices</b>						
Highest share price (p)	62.79	63.07	120.93	120.56	114.77	70.17
Lowest share price (p)	60.44	60.52	119.59	114.55	113.03	68.64



## Financial Statements

(continued)

### Comparative Table Disclosure

(continued)

	Class 2 – Income shares			Class 2 – Accumulation shares		
	15/11/2021	15/05/2021	15/05/2020	15/11/2021	15/05/2021	15/05/2020
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	70.20	72.65	79.81	125.37	124.76	131.14
Return before operating charges and property expenses (p)	4.89	2.72	(1.67)	8.78	4.77	(2.92)
Operating charges (p)**	(0.29)	(0.56)	(0.63)	(0.51)	(0.98)	(1.05)
Property expenses (p)***	(0.65)	(1.38)	(0.82)	(1.17)	(2.40)	(1.36)
Return after operating charges and property expenses (p)*	3.95	0.78	(3.13)	7.10	1.39	(5.33)
Distributions (p)	(1.64)	(3.23)	(4.03)	(2.94)	(5.63)	(6.74)
Retained distribution on accumulation shares (p) <sup>f</sup>	–	–	–	2.54	4.85	5.69
Closing net asset value per share (p)	72.51	70.20	72.65	132.07	125.37	124.76
*after direct transaction costs (p)	0.09	0.30	0.26	0.16	0.52	0.43
<b>Performance</b>						
Return after charges (%)	5.63	1.08	(3.92)	5.66	1.12	(4.07)
<b>Other information</b>						
Closing net asset value (£'000)	12,819	66,273	78,137	7,636	8,121	19,740
Closing number of shares	17,679,823	94,403,420	107,547,351	5,781,907	6,477,796	15,821,707
Operating charges (%)***	0.80	0.79	0.80	0.80	0.79	0.80
Property expenses (%)***	1.81	1.93	1.04	1.81	1.93	1.04
Direct transaction costs (%)****	0.24	0.42	0.33	0.24	0.42	0.33
<b>Prices</b>						
Highest share price (p)	73.14	72.73	80.29	132.06	125.54	132.15
Lowest share price (p)	70.22	70.18	78.69	125.39	123.61	130.68

	Class 2 – Gross income shares			Class 2 – Gross accumulation shares		
	15/11/2021	15/05/2021	15/05/2020	15/11/2021	15/05/2021	15/05/2020
<b>Change in net assets per share</b>						
Opening net asset value per share (p)	70.18	72.64	79.80	130.34	128.90	134.41
Return before operating charges and property expenses (p)	4.89	2.72	(1.67)	9.17	4.94	(3.02)
Operating charges (p)**	(0.29)	(0.57)	(0.63)	(0.54)	(1.02)	(1.08)
Property expenses (p)***	(0.65)	(1.38)	(0.82)	(1.22)	(2.48)	(1.40)
Return after operating charges and property expenses (p)*	3.95	0.77	(3.12)	7.41	1.44	(5.51)
Distributions (p)	(1.64)	(3.23)	(4.04)	(3.07)	(5.84)	(6.93)
Retained distribution on accumulation shares (p) <sup>f</sup>	–	–	–	3.07	5.84	6.93
Closing net asset value per share (p)	72.49	70.18	72.64	137.75	130.34	128.90
*after direct transaction costs (p)	0.09	0.30	0.26	0.16	0.54	0.44
<b>Performance</b>						
Return after charges (%)	5.63	1.07	(3.91)	5.69	1.12	(4.10)
<b>Other information</b>						
Closing net asset value (£'000)	15,189	16,490	28,941	12,555	14,133	48,549
Closing number of shares	20,952,538	23,495,470	39,843,756	9,114,263	10,842,677	37,663,429
Operating charges (%)***	0.80	0.79	0.80	0.80	0.79	0.80
Property expenses (%)***	1.81	1.93	1.04	1.81	1.93	1.04
Direct transaction costs (%)****	0.24	0.42	0.33	0.24	0.42	0.33
<b>Prices</b>						
Highest share price (p)	73.21	72.78	80.40	137.74	130.54	135.84
Lowest share price (p)	70.20	70.17	78.82	130.37	127.99	134.43

## Financial Statements

(continued)

### Comparative Table Disclosure

(continued)

	Class F – Gross accumulation shares		
	15/11/2021	15/05/2021	15/05/2020
<b>Change in net assets per share</b>			
Opening net asset value per share (p)	564.50	553.91	573.08
Return before operating charges and property expenses (p)	39.76	21.38	(13.09)
Operating charges (p)**	(0.06)	(0.06)	(0.06)
Property expenses (p)***	(5.29)	(10.73)	(6.02)
Return after operating charges and property expenses (p)*	34.41	10.59	(19.17)
Distributions (p)	(13.40)	(25.36)	(29.88)
Retained distribution on accumulation shares (p) <sup>†</sup>	13.40	25.36	29.88
Closing net asset value per share (p)	598.91	564.50	553.91
*after direct transaction costs (p)	0.71	2.32	1.90
<b>Performance</b>			
Return after charges (%)	6.10	1.91	(3.35)
<b>Other information</b>			
Closing net asset value (£'000)	487,237	494,973	802,316
Closing number of shares	81,353,383	87,682,675	144,844,904
Operating charges (%)**	0.02	0.01	0.01
Property expenses (%)***	1.81	1.93	1.04
Direct transaction costs (%)****	0.24	0.42	0.33
<b>Prices</b>			
Highest share price (p)	598.90	565.31	580.79
Lowest share price (p)	573.16	552.95	516.09

<sup>†</sup>Any difference between the distributions and the retained distributions on accumulation shares is due to tax withheld.

\*\*The Operating charges are represented by the Ongoing Charges Figures (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial period's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit [columbiathreadneedle.com/fees](http://columbiathreadneedle.com/fees).

\*\*\*The Property Expenses are represented by the Property Expense Ratio (PER) and reflects any additional costs associated with the day-to-day operation of direct property assets.

\*\*\*\*Transaction costs have not been reduced by any amounts collected from dilution levies.

## Financial Statements

(continued)

### Notes to the financial statements

for the accounting period 16 May 2021 to 15 November 2021

#### 1 ACCOUNTING POLICIES

##### (a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in May 2014. The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 May 2021 and are described in those financial statements.

##### (b) Notes

In accordance with the guidelines of the SORP the fund has taken advantage of the facility not to provide further notes to the financial statements.

#### 2 RECONCILIATION OF SHARES

	15 November 2021
<b>Class 1 – Income shares</b>	
Opening shares	922,432
Shares issued	36,239
Shares redeemed	(144,536)
Net conversions	(273)
Closing shares	<u>813,862</u>
<b>Class 1 – Accumulation shares</b>	
Opening shares	10,348,279
Shares issued	83,545
Shares redeemed	(949,952)
Net conversions	(92,617)
Closing shares	<u>9,389,255</u>
<b>Class 1 – Gross income shares</b>	
Opening shares	84,088
Shares issued	–
Shares redeemed	(49,083)
Net conversions	38,910
Closing shares	<u>73,915</u>
<b>Class 1 – Gross accumulation shares</b>	
Opening shares	37,563,763
Shares issued	1,525,250
Shares redeemed	(1,093,825)
Net conversions	–
Closing shares	<u>37,995,188</u>
<b>Class 2 – Income shares</b>	
Opening shares	94,403,420
Shares issued	507,922
Shares redeemed	(77,241,642)
Net conversions	10,123
Closing shares	<u>17,679,823</u>
<b>Class 2 – Accumulation shares</b>	
Opening shares	6,477,796
Shares issued	287,815
Shares redeemed	(1,057,930)
Net conversions	74,226
Closing shares	<u>5,781,907</u>
<b>Class 2 – Gross income shares</b>	
Opening shares	23,495,470
Shares issued	1,198,654
Shares redeemed	(3,785,509)
Net conversions	43,923
Closing shares	<u>20,952,538</u>

##### Class 2 – Gross accumulation shares

	15 November 2021
Opening shares	10,842,677
Shares issued	157,569
Shares redeemed	(1,846,482)
Net conversions	(39,501)
Closing shares	<u>9,114,263</u>

##### Class F – Gross accumulation shares

Opening shares	87,682,675
Shares issued	14,912,027
Shares redeemed	(21,241,319)
Net conversions	–
Closing shares	<u>81,353,383</u>

## Shares Price Performance – Bid to Bid Basis (adjusted for net revenue)

for the period	1 November 2020 to 31 October 2021 %	1 November 2019 to 31 October 2020 %	1 November 2018 to 31 October 2019 %	1 November 2017 to 31 October 2018 %	1 November 2016 to 31 October 2017 %	1 November 2015 to 31 October 2016 %	1 November 2014 to 31 October 2015 %	1 November 2013 to 31 October 2014 %	since launch to 31 October 2021 %
Class 1 – Income shares	+4.82	(5.54)	(6.52)	+4.74	+10.72	(5.02)	+9.21	+13.06	+1.18 <sup>5</sup>
Class 1 – Accumulation shares	+4.76	(5.54)	(6.47)	+4.83	+10.91	(4.83)	+9.40	+13.34	+1.29 <sup>5</sup>
Class 1 – Gross income shares	+5.34	(5.00)	(5.91)	+5.38	+11.38	(7.19) <sup>2</sup>	–	–	+1.45 <sup>2</sup>
Class 1 – Gross accumulation shares	+5.25	(4.99)	(5.89)	+5.55	+11.63	(7.14) <sup>2</sup>	–	–	+1.49 <sup>2</sup>
Class 2 – Income shares	+5.47	(4.92)	(5.92)	+5.45	+11.46	(4.38)	+10.14	+15.26	+1.95 <sup>7</sup>
Class 2 – Accumulation shares	+5.37	(4.95)	(5.90)	+5.70	+11.50	(4.19)	+9.92	+15.57	+2.03 <sup>7</sup>
Class 2 – Gross income shares	+6.15	(4.22)	(5.15)	+6.24	+12.34	(6.85) <sup>2</sup>	–	–	+2.28 <sup>2</sup>
Class 2 – Gross accumulation shares	+6.13	(4.29)	(5.14)	+6.54	+12.39	(6.77) <sup>2</sup>	–	–	+2.32 <sup>2</sup>
Morningstar Median Performance (OEIC Benchmark for Real Estate Trusts)	+4.41	(4.93)	(0.84)	+5.44	+6.32	+3.27	+8.18	+10.69	+0.11 <sup>5</sup> +1.38 <sup>7</sup> +1.91 <sup>2</sup>

<sup>5</sup>Class 1 income and net accumulation shares commenced 19 February 2007.

<sup>6</sup>Class 2 income and net accumulation shares commenced 8 October 2007.

<sup>7</sup>Shares commenced 13 May 2016.

Source: Morningstar and Threadneedle. Bid to bid prices are quoted (i.e. not including any initial charge) with net income reinvested for the UK basic rate tax payer. Performance data is quoted in sterling. OEIC Benchmark for Real Estate Trusts refers to the IPD UK Monthly Index since 28 February 2007.

The performance data prior to 14 May 2016 (the launch date of the Fund) relates to the Threadneedle UK Property Trust whose assets transferred to the Threadneedle Property Authorised Investment Fund on 14 May 2016.

## Share Turnover

For the period ending 15 November 2021	Number of Shares	Net asset value of Shares as at period end	Percentage of total net asset value of the Fund as at start of period	Percentage of total net asset value of the Fund as at end of period
Creations	18,966,105	93,346,851	14.25	15.75
Redemptions	(107,632,571)	(192,701,787)	(29.41)	(32.51)

\*Shares matched refers only to changes in the beneficial ownership of the share, not just the registered owner.

## Share Analysis

As at 15 November 2021	Number of Shareholders	% NAV
Less than 1% of Shares in issue	64	4.25%
1% or greater but less than 2%	2	2.73%
2% or greater but less than 4%	5	15.50%
4% or greater but less than 8%	1	5.93%
Greater than 8% of Shares in issue	3	71.59%
<b>Grand Total</b>	<b>75</b>	<b>100.00%</b>
<b>Total Number of Shares in Issue</b>		<b>183,154,134</b>
<b>Internal Investors</b>		<b>18.28%</b>
<b>External Investors</b>		<b>81.72%</b>
<b>Total</b>		<b>100.00%</b>
Largest Investor		44.42%
Largest 3 Investors		71.59%
Largest 5 Investors		81.39%
Largest 10 Investors		94.53%

## Finance Costs: Distributions per Share

<b>For the period ending 15 November 2021</b>	<b>Opening price (pence)</b>	<b>Closing price (pence)</b>	<b>Distribution accrued (pence)</b>	<b>Yield on closing NAV price (%)</b>	<b>Yield on closing price (%)</b>
Class 1 – Income shares	64.36	66.31	1.26	2.03	1.90
Class 1 – Accumulation shares	117.10	123.30	2.33	1.99	1.89
Class 1 – Gross income shares	64.40	66.35	1.41	2.26	2.12
Class 1 – Gross accumulation shares	120.70	127.40	2.68	2.22	2.10
Class 2 – Income shares	74.73	77.28	1.42	1.95	1.83
Class 2 – Accumulation shares	132.10	139.50	2.54	1.93	1.82
Class 2 – Gross income shares	74.81	77.36	1.64	2.27	2.12
Class 2 – Gross accumulation shares	137.40	145.50	3.07	2.23	2.11
Class F – Gross accumulation shares	594.90	632.80	13.40	2.24	2.12

## Important Information

### General

Threadneedle UK Property Authorised Investment Fund is an Open Ended Investment Company ('OEIC') incorporated in England and Wales under registered number IC000976 and authorised by the FCA with effect from 11 October 2013.

The Company is a non-UCITS retail scheme for the purposes of the FCA Rules, an alternative investment fund for the purposes of the AIFM Directive, and a standalone company for the purposes of the OEIC Regulations. At the date of this Prospectus, the Company qualifies as a PAIF and a FIIA (a fund investing in inherently illiquid assets, as defined in the COLL Sourcebook).

Threadneedle UK Property Authorised Investment Fund was launched on 14 May 2016 following the conversion of the Threadneedle UK Property Trust into the Company.

Details of the conversion can be found at [columbiathreadneedle.com/PAIF](http://columbiathreadneedle.com/PAIF).

Revenue is distributed in relation to income shares following interim and annual allocation dates. For accumulation shares, the revenue is automatically reinvested (after expenses) following interim and annual allocation dates and is reflected in the price for each accumulation share.

The prospectus, which describes the Company detail, is available on request from Threadneedle Investment Services Limited, SS&C Financial Services Europe Limited PO Box 10033, Chelmsford CM99 2AL, United Kingdom.

### Non-UCITS Retail Scheme Key Investor Information (NURS-KII) – Subscription requirements

The NURS-KII is a pre contractual document and investors have to confirm that they have read the latest NURS-KII before making a subscription. The ACD has the right to reject a subscription if the investor does not confirm that they have read the latest NURS-KII at the time of application. Investors can obtain the latest NURS-KII from [Columbiathreadneedle.com](http://Columbiathreadneedle.com).

### Changes to the Prospectus

The main changes to the prospectus of the Company during the period from 16 May 2021 to 15 November 2021 were as follows:

- Change of Depositary legal entity from Citibank Europe plc, UK branch to Citibank UK Limited.
- Updates to Appendix - Performance of the Company.

### Changes to the Instrument of Incorporation

There were no changes to the Instrument of Incorporation of the Company during the period from 16 May 2021 to 15 November 2021.

### Changes to the management of the ACD

During the period from 16 May 2021 to 15 November 2021 there were no changes to the directors of the ACD.

### COVID-19

The coronavirus disease 2019 (COVID-19) public health crisis has become a pandemic that has resulted in, and may continue to result in, significant global economic and societal disruption and market volatility due to disruptions in market access, resource availability, facilities operations, imposition of tariffs, export controls and supply chain disruption, among others. Such disruptions may be caused, or exacerbated by, quarantines and travel restrictions, workforce displacement and loss in human and other resources. The uncertainty surrounding the magnitude, duration, reach, costs and effects of the global pandemic, as well as actions that have been or could be taken by governmental authorities or other third parties, present unknowns that are yet to unfold. The impacts, as well as the uncertainty over impacts to come, of COVID-19 – and any other infectious illness outbreaks, epidemics and pandemics that may arise in the future – could negatively affect global economies and markets in ways that cannot necessarily be foreseen. In addition, the impact of infectious illness outbreaks and epidemics in emerging market countries may be greater due to generally less established healthcare systems, governments and financial markets. Public health crises caused by the COVID-19 outbreak may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The disruptions caused by COVID-19 could prevent the Company from executing advantageous investment decisions in a timely manner and negatively impact the Company's ability to achieve their investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of the Company.

### Value Assessment Report

As required by the FCA we have carried out an annual Value Assessment Report and this report is available on our website as follows:

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Private>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Intermediary>

<https://www.columbiathreadneedle.co.uk/en/value-assessment-report?it=Institutional>

### Characteristics of shares

Shares	Minimum Investment	Minimum additional investment
Class 1 shares	£1,000	£1,000
Class 2 shares	£500,000	£25,000
Class F shares	£1,000,000	£1,000,000

### Charges and Prices

There is no preliminary charge for the shares in the Company.

The fees and expenses of the Depositary, Registrars' fees, Auditors' fees and FCA authorisation fees are also payable by the Company.

Insurance commissions are payable to the ACD, whilst the Company is entitled to retain all management fees payable by tenants under service charges and landlords' licence fees for alterations, assignments and sub-lettings.

## Important Information

(continued)

Prices and yields are quoted at Columbiathreadneedle.com and the ACD will deal on normal business days. Shares are bought back at the bid price. A direct credit (BACS) transfer in settlement will normally be made within four working days of receipt by the ACD of a fully completed form of renunciation.

Information relating to the management of the Company, its fees and expenses, distribution policy, derivative exposure, valuations, investment and borrowing powers and the issue, redemption and switching of shares can be found in the current Prospectus.

### Income Equalisation

Since the Company operates equalisation, the first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted from the cost of shares in arriving at any capital gain realised on their subsequent disposal.

### Investor Reports

Annual long-form reports and the Financial Statements of the Company will be made available and published within four months of the close of each annual accounting period and half-yearly long report and financial statements will be published within two months of the close of each interim accounting period. At the end of each reporting period the reports are available on our website [columbiathreadneedle.com/shortform](http://columbiathreadneedle.com/shortform) and from Threadneedle Investment Services Limited P.O. Box 10033, Chelmsford, Essex CM99 2AL.

The annual accounting period for the Company ends on 15 May and the interim reporting period ends on 15 November.

### Individual Savings Accounts

Throughout the accounting period the Company has satisfied the requirements of the Individual Savings Account Regulations 1998 (as amended). It is the ACD's intention that the Company will be managed in such a way as to continue to meet this requirement.

### Foreign Account Tax Compliance Act (FATCA)

Columbia Threadneedle and its funds have registered with the US Internal Revenue Service in accordance with FATCA and other current related legislation. Columbia Threadneedle has put in place appropriate processes and procedures to maintain its compliance with the statutory requirements, including ensuring that Columbia Threadneedle obtain the required certification from its clients and investors as necessary to mitigate any requirement upon Columbia Threadneedle to withhold or report such clients under the legislation. This registration and compliance process will ensure that Columbia Threadneedle should not suffer withholding under FATCA.

### Common Reporting Standard (CRS)

The Common Reporting Standard ('CRS') has come into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co-operation and Development ('OECD'). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require Columbia Threadneedle funds to report account holder information to HMRC about their shareholdings. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

### Business Continuity Strategy

Columbia Threadneedle Investments has in place a business continuity and disaster recovery plan to enable swift recovery and resumption of normal operations following an incident. Regular exercises of this plan are held at third party recovery sites in both London and Farnborough and attended by critical staff. These exercises are externally audited.

### Environment, Social, Governance risk and Sustainability Managing real estate assets responsibly:

#### Our approach

We believe that investing in real estate responsibly is complementary to our core objective of delivering strong risk-adjusted investment returns for our clients. Key to our approach is an understanding of the environmental and social risks posed by real estate assets. We focus on mitigating those risks and seeking continuous improvement by assessing the environmental and social impacts throughout the lifecycle of our property assets.

This approach is ingrained within the day-to-day activities of our business.

#### Understanding risk

Real estate consumes around 40% of the world's energy and contributes up to 30% of its annual GHG emissions<sup>1</sup>. The UK has committed to cut its carbon emissions to net zero by 2050<sup>2</sup>. Already a focus of related regulation, real estate will be expected to play an increasing role in achieving this reduction. More widely, real estate is exposed to a variety of climate and energy-related risks, both transitional (policy, legal, technology-related) and physical (short term events and chronic longer-term shifts). Social risks, including those arising from health and safety issues, can also have tangible consequences for property owners and managers.

#### Mitigating environmental, social and governance risk

Effective management of Environmental, Social and Governance (ESG) issues delivers the dual benefit of reducing these risks (for instance anticipating rather than reacting to new regulation) and improving investment performance by proactively enhancing assets to improve their appeal to occupiers (shorter voids, higher rents) and investors (increased capital values).

We set ESG and climate risk objectives across the full range of real estate funds that we manage, and these objectives are assessed and implemented at an individual property level.

#### Enhancing sustainable outcomes

Enhancing asset quality can go hand-in-hand with sustainability benefits and positive social outcomes. Sustainably managed buildings provide multiple benefits to their occupiers: lower energy and operational costs provide financial benefits, whilst working in buildings with good air quality and high levels of daylight has been shown to reduce absenteeism and stress and improve productivity and wellbeing.

<sup>1</sup>Sustainable real estate investment: Implementing the Paris Climate agreement – an action framework, PRI, 2016 <https://www.unpri.org/property/sustainable-real-estate-investment-implementing-the-paris-climate-agreement/138.article>.

<sup>2</sup>Source: Carbon Trust, December 2018.

## Important Information

(continued)

### Governance

Over the past 12-months the Investment Advisor has improved its ESG governance via a restructure of the core project groups to focus on key deliverables: a Project Innovation group promotes technical best practice with input from its external building consultants, an ESG Advisory Group provides thought leadership from across its wider business, and an ESG Fund Performance Group ensures best practice is implemented at Fund level, with an ESG Lead allocated to each Fund. All three groups report to the ESG Steering Group which provides strategy and oversight and in turn reports directly to the UK Real Estate leadership team. 2021 marked the third year of the Fund's participation in the GRESB survey.

### Activity Specific Objectives

Our goal is to seek continual improvement in responsible investment performance across our business and we commit to best practice in the five core areas of our real estate operations.

#### 1. Property Investment

When assessing any new property investment, our standard due diligence protocol requires all buildings to be comprehensively surveyed from a structural, mechanical and environmental perspective prior to purchase. Consideration is given to a wide range of factors including energy performance (Energy or Sustainability audits)/minimum energy standards<sup>3</sup>, environmental risks/impact (including flood risk), and areas for potential improvement in terms of sustainability performance. The contents of each report inform the financial modelling undertaken on the property (as appropriate) and form part of the Property Risk matrix which is handed over to the Property Management team on completion of each acquisition.

#### 2. Asset Management

To develop and implement building specific asset management strategies. While the primary objective is to identify opportunities to add value, the plan should look to promote environmental, sustainability and health and wellbeing best practices; and energy, water and waste efficiencies. The strategy should look to encourage both occupier engagement and community engagement opportunities where appropriate. The asset manager should look to introduce data sharing and co-operation clauses into new leases, to enable the monitoring of operational energy, water and waste consumption. Consideration must be given to the cost and timing of undertaking any physical improvements to buildings at lease events, where financially viable to do so.

#### 3. Property Management

To support our external managing agents in delivering against annual KPI's e.g. with respect to carbon emissions reductions, energy and water usage improvement, prevention of pollution and/or minimisation of waste. To actively manage and continually improve the environmental impact of our buildings, whilst maintaining tenant satisfaction.

#### 4. Health and Safety, Risk and Governance

To ensure Health and Safety risks for all properties are correctly identified and managed. In order to meet the Funds' responsibilities and protect the wider community, we ensure all necessary inspections are conducted regularly and ensure oversight through monthly reporting, meetings with the agents and independent annual audits. We manage compliance with the Corporate Responsibility policy (which addresses diversity, Inclusion and the Modern Slavery Act), and the Anti-Bribery and Corruption policy.

In addition, to identify and monitor Climate Change risks by working with insurers to obtain enhanced flood data on every asset and obtaining a flood risk rating, which will be reviewed on an annual basis in order to monitor any change.

#### 5. Refurbishment

A Refurbishment Guide has been developed to promote the use of high sustainability standards within any new refurbishment, subject to balancing the specification of works against the return on capital invested. The Guide has been provided to project managers and will be provided to contractors, as part of a project brief, to minimise environmental and social impacts on site and to maximise the creation of economic opportunities in the local community, where applicable.

All construction projects are to incorporate a set of minimum requirements as defined in the Refurbishment Guide, relating to environmental management, building quality and flexibility, health and well-being, energy efficiency, transport, water, building materials, waste management, ecology and pollution. In addition, all Major Projects should incorporate the additional requirements set out in the Refurbishment Guide, as long as it is economically viable to do so.

#### Road Map and Targets

We have aligned our strategic real estate ESG, sustainability and climate change objectives to the UN SDG's where appropriate.

#### Energy Efficiency Actions

##### Environmental data management system and quarterly reporting

The fund uses SIERA as its environmental data management system where energy, water, waste and greenhouse gas emission data are collected and validated for all assets where the portfolio has operational control. Energy and greenhouse gas emission data is reported on a quarterly basis for the portfolio's 20 highest energy consuming assets. Additionally, Columbia Threadneedle is currently in the process of revising the fund energy reduction target using the 2018 financial year as a baseline.

<sup>3</sup>Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015.



## Important Information

(continued)

### Technical sustainability audit programme

The Fund has completed technical sustainability audits at 13 of its largest energy consuming assets. The technical sustainability audits identify current environmental performance, including energy, water, waste and wellbeing, as well as the tangible identification of opportunities for environmental and financial improvement.

### Managing agent sustainability requirements

Managing agents play a crucial role in supporting Columbia Threadneedle's sustainability programme. As such, Columbia Threadneedle has developed a set of ESG key performance indicators to guide managing agents for the fund in their support of the fund's sustainability programme. These indicators include coverage of energy, water, and waste data, impact on local community, and regular tenant engagement through tenant satisfaction surveys.

The fund will continue GRESB participation in 2021 on the reporting year 2020.

### Global Real Estate Sustainability Benchmark (GRESB)

GRESB is a global real estate benchmark which assess Environmental, Social and Governance (ESG) performance. 2021 marked the third year of the Fund's participation in the GRESB survey. The Fund achieved three stars and a score of 73 out of 100, ranking it 33rd within its peer group of 102 funds.

GRESB is benchmarked against two dimensions:

**Performance** – actions and programmes that have been initiated by the fund. TUKPAIF achieved a score of 43 out of 70, which was 3 points above the benchmark average.

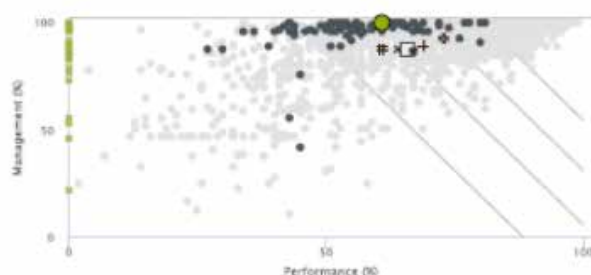
**Management** – relating to policies and processes that set out the fund's intent for managing sustainability issues. TUKPAIF scored 30 out of 30, which outperformed both the benchmark (27) and GRESB global average (26).



### Rankings



### GRESB Model



## Important Information

(continued)

### Streamlined Energy and Carbon Reporting (SECR)

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, also referred to as Streamlined Energy and Carbon Reporting (SECR), requires all quoted companies, "large" unquoted companies and LLPs to report their UK energy use, associated Scope 1 & 2 emissions, an intensity metric and, where applicable, global energy use in their Annual Reports.

The company has followed the GHG Reporting Protocol – Corporate Standard for company reporting to identify and report relevant energy and GHG emissions over which it has Operational Control for the year ending 31<sup>st</sup> December 2020.

The Fund has considered the materiality of environmental impacts arising from its operations and identify greenhouse gas emissions (generated via energy use) to be the most significant. This assessment was based on financial spend and the ability for the company to control impacts. Other areas, such as water, waste, biodiversity and emissions to air, water and land are deemed less material, however, some or all impacts may be reported in the future.

The company has chosen to report GHG emissions using the Operational Control approach for its organisational boundary. This boundary includes owned assets where the fund, acting as the landlord, is directly responsible for electricity and/or gas supplies and/or has control of air conditioning equipment.

Total GHG emissions are reported in terms of carbon dioxide equivalent (CO<sub>2</sub>e). Conversion factors have been sourced from the UK Government's Greenhouse Gas Reporting Factors for Company Reporting (2020).

The following sources of emissions have been considered as part of this review:

#### Scope 1

- Direct emissions from controlled gas boilers (converted from kWh usage)
- Business travel through company owned vehicles (although not relevant to the company)

#### Scope 2

- Indirect emissions from electricity purchased by the company and consumed within real estate assets owned by the company (converted from kWh usage)
- Greenhouse Gas (GHG) emissions from electricity (Scope 2) are reported according to the 'location-based' approach.

The company has chosen not to report fugitive emissions e.g. from refrigerant leaks.

The majority of the company's emissions arise through assets that are owned and leased. At multi-let properties, The company, acting as the landlord, has control and influence over the whole building and/or shared services, external lighting and void spaces.

A baseline year of 2018 has been selected to enable comparison over time. The baseline year comprises energy/ GHG data from the top 20 consuming assets (where data has been reported). This cohort represents 88% of all reported energy data across the fund. It also represents the asset subset included in the long term energy and GHG target. Furthermore, energy use within this subset of assets is actively tracked and reported against on a quarterly basis.

The top 20 assets are also included in the intensity ratio and like-for-like reporting.

**Table 1: Threadneedle UK Property Authorised Investment Fund (TUKPAIF) energy (kWh) and Scope 1 and 2 emissions (tCO<sub>2</sub>e) year ending 31<sup>st</sup> December 2020**

Scope <sup>1</sup>	Absolute Energy use (kWh)	Absolute Tonnes of Carbon Dioxide Equivalent (tCO <sub>2</sub> e)
Scope 1	9,714,105.44	1,786.13
Scope 2	13,092,340.29	3,052.35
<b>Total</b>	<b>22,806,445.73</b>	<b>4,838.48</b>

**Table 2: TUKPAIF energy (kWh) and Scope 1 and 2 emissions intensity (kgCO<sub>2</sub>e) year ending 31<sup>st</sup> December 2020**

Sector	Energy Intensity (kWh)	Carbon Intensity (kgCO <sub>2</sub> e)
Offices (per m <sup>2</sup> net lettable area)	228.08	48.56
Retail, Shopping Centre (per m <sup>2</sup> net lettable area)	17.54	4.09
Retail, Warehouse (per m <sup>2</sup> net lettable area)	15.22	3.45

### Statement of GHG Emissions

The company's emissions statement for the year ending 31<sup>st</sup> December 2020 is reported below. Absolute energy usage, like-for-like and an intensity value for 2019 and 2020. The table sets out the emissions per sector and for the entity overall. Like-for-like emissions and intensity values are set out per sector based on the top 20 consuming assets (Tier 1) within the entity. The approach taken follows guidance provided by the GHG Reporting Guidelines (BEIS, 2019)<sup>6</sup> and INREV Sustainability Reporting Guidelines 7.

<sup>1</sup>Scope 1 emissions relate to the use of gas via onsite boilers. Scope 2 emissions relate to the use of purchased electricity only.

## Important Information

(continued)

### TUKPAIF Greenhouse Gas Emissions Statement for year ending 31<sup>st</sup> December 2020

Sector and GHG Source	Absolute Emissions (tonnes CO <sub>2</sub> e)		Like-for-Like Emissions (tonnes CO <sub>2</sub> e)			Like-for-Like Intensity kgCO <sub>2</sub> /m <sup>2</sup>			
	2019	2020	2019	2020	% Change	2019	2020	% Change	
Office	Scope 1	2,049.2	1,583.7	1,670.3	1,410.1	(15.6)%			
	Scope 2	4,199.3	2,692.8	3,256.7	2,561.2	(21.4)%			
	Total	6,248.5	4,276.6	4,927.0	3,971.3	(19.4)%	60.24	48.56	(19.4)%
Retail, Shopping Centre	Scope 1	–	–	–	–	–			
	Scope 2	145.3	90.2	102.3	73.0	(28.6)%			
	Total	145.3	90.2	102.3	73.0	(28.6)%	5.73	4.09	(28.6)%
Industrial, Distribution Warehouse	Scope 1	92.0	156.5	–	–	–			
	Scope 2	86.6	47.3	–	–	–			
	Total	178.6	203.8	–	–	–	N/A	N/A	N/A
Retail, Warehouse	Scope 1	18.5	34.6	17.5	10.1	(42.3)%			
	Scope 2	298.6	160.8	95.7	88.2	(7.8)%			
	Total	317.1	195.4	113.1	98.3	(13.1)%	3.98	3.45	(13.1)%
Retail, High Street	Scope 1	8.5	11.3	–	–	–			
	Scope 2	95.7	61.2	–	–	–			
	Total	104.2	72.5	–	–	–	N/A	N/A	N/A
Leisure	Scope 1	0.3	0.0	–	–	–			
	Scope 2	0.1	–	–	–	–			
	Total	0.4	0.0	–	–	–	N/A	N/A	N/A
<b>Total</b>	<b>Scope 1</b>	<b>2,168.5</b>	<b>1,786.1</b>	<b>1,687.8</b>	<b>1,420.2</b>	<b>(15.9)%</b>			
	<b>Scope 2</b>	<b>4,825.6</b>	<b>3,052.3</b>	<b>3,454.7</b>	<b>2,722.4</b>	<b>(21.2)%</b>			
	<b>Total</b>	<b>6,994.1</b>	<b>4,838.5</b>	<b>5,142.4</b>	<b>4,142.6</b>	<b>(19.4)%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

### Statement of Energy Usage

The company's energy usage statement for the year ending 31<sup>st</sup> December 2020 is reported in the table below. Absolute energy usage, like-for-like and an intensity value for 2019 and 2020. The table sets out the energy use per sector

and for the entity overall. Like-for-like energy usage and intensity values are set out per sector based on the top 20 consuming assets (Tier 1) within the entity. The approach taken follows guidance provided by the GHG Reporting Guidelines (BEIS, 2019) and INREV Sustainability Reporting Guidelines.

### TUKPAIF Energy Usage Statement for year ending 31<sup>st</sup> December 2020

Sector and Energy Source	Absolute Consumption (kWh)		Like-for-Like Consumption (kWh) Degree Day			Like-for-Like Intensity (kWh/m <sup>2</sup> )			
	2019	2020	2019	2020	% Change	2019	2020	% Change	
Office	Electricity	16,429,318.2	11,550,178.5	12,741,210.4	10,985,557.5	(13.8)%			
	Fuels	11,144,892.2	8,613,398.7	9,084,207.8	7,669,077.2	(15.6)%			
	District heating	–	–	–	–	–			
	Total Energy	27,574,210.4	20,163,577.2	21,825,418.2	18,654,634.7	(14.5)%	266.9	228.1	(14.5)%
Retail, Shopping Centre	Electricity	568,469.8	386,868.5	400,359.1	313,327.5	(21.7)%			
	Fuels	–	–	–	–	–			
	District heating	–	–	–	–	–			
Total Energy	568,469.8	386,868.5	400,359.1	313,327.5	(21.7)%	22.4	17.5	(21.7)%	
Industrial, Distribution Warehouse	Electricity	339,000.2	203,002.2	–	–	–			
	Fuels	500,325.1	850,993.1	–	–	–			
	District heating	–	–	–	–	–			
	Total Energy	839,325.2	1,053,995.3	–	–	–	N/A	N/A	N/A
Retail, Warehouse	Electricity	1,168,073.3	689,594.7	374,354.6	378,410.3	1.1%			
	Fuels	100,603.9	188,114.7	94,932.3	54,746.6	(42.3)%			
	District heating	–	–	–	–	–			
	Total Energy	1,268,677.2	877,709.3	469,286.9	433,156.9	(7.7)%	16.5	15.2	(7.7)%
Retail, High Street	Electricity	374,268.2	262,696.4	–	–	–			
	Fuels	46,355.7	61,455.0	–	–	–			
	District heating	–	–	–	–	–			
	Total Energy	420,623.9	324,151.4	–	–	–	N/A	N/A	N/A
Leisure	Electricity	199.9	–	–	–	–			
	Fuels	1,710.7	144.0	–	–	–			
	District heating	–	–	–	–	–			
	Total Energy	1,910.6	144.0	–	–	–	N/A	N/A	N/A
<b>Total</b>	<b>Coverage</b>	<b>1.0</b>	<b>1.0</b>	<b>–</b>	<b>–</b>	<b>–</b>			
	<b>Electricity</b>	<b>18,879,329.5</b>	<b>13,092,340.3</b>	<b>13,515,924.0</b>	<b>11,677,295.3</b>	<b>(13.6)%</b>			
	<b>Fuels</b>	<b>11,793,887.6</b>	<b>9,714,105.4</b>	<b>9,179,140.2</b>	<b>7,723,823.8</b>	<b>(15.9)%</b>			
	<b>District heating</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>			
	<b>Total Energy</b>	<b>30,673,217.1</b>	<b>22,806,445.7</b>	<b>22,695,064.2</b>	<b>19,401,119.1</b>	<b>(14.5)%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

## Important Information

*(continued)*

### Key Risks of the Company

**Investment Risk:** The value of investments can fall as well as rise and investors might not get back the sum originally invested.

**Property Liquidity Risk:** It may be difficult or impossible to realise assets of the Company because the underlying property may not be readily saleable.

**Property Valuation Risk:** The value of a property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold. Should the Standing Independent Valuer express material uncertainty regarding the value of one or more immovables under management and that material uncertainty applies to 20% or more of the value of the Company, it may be necessary to temporarily suspend dealing

**Property Market Risk:** The performance of the Company would be adversely affected by a downturn in the Property market in terms of capital value or a weakening of rental yields.

**Property Liquidity Management (formerly uninvested cash risk):** Due to the illiquid nature of property and the time it can take to buy or sell assets, under normal circumstances up to 15% of the Company may be held in cash deposits.

High levels of cash may also be held by the Company in anticipation of unusually large redemption requests, or if property investment opportunities are limited.

Holding high levels of cash has an impact on the performance of the Company and its distributable income until it is invested in property assets.

If a significant number of shareholders withdraw their investment at the same time, the fund manager may consider it necessary to dispose of property investments to generate additional cash. In difficult market conditions, it can take longer to sell properties, and some properties may be sold for less than expected.

The right to redeem shares in the Company will be suspended if there is insufficient cash available to satisfy sale requests, or could become necessary to balance the interests of continuing shareholders with those seeking to redeem.

**Effect of Dual Pricing (Property):** As the Company is dual priced, there is a price to buy shares and a lower price to sell them. The difference between the two is known as the 'spread'. This Company's spread reflects the transaction costs of buying and selling commercial property, and other assets. The spread can change at any time and by any amount. The Spread for this Company is likely to be larger than for funds investing in assets other than commercial property. Consequently, there is a higher possibility of an investment being worth less than when invested, especially in the early years.

## Directory

### Management and Administration

#### The Company and Head Office

Threadneedle UK Property Authorised Investment Fund  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

#### Authorised Corporate Director (ACD) and Alternative Investment Fund Manager (AIFM)

Threadneedle Investment Services Limited  
Registered office and head office:  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

#### Registrar

Threadneedle Investment Services Limited  
Delegated to:  
SS&C Financial Services Europe Limited  
Authorised and regulated by the Financial Conduct Authority (FCA)  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

#### ACD Client Services Department

Threadneedle Investment Services Limited  
PO Box 10033 Chelmsford Essex CM99 2AL  
Telephone (dealing & customer enquiries): 0800 953 0134\*\*  
Fax (dealing): 0845 113 0274  
Email (enquiries): [questions@service.columbiathreadneedle.co.uk](mailto:questions@service.columbiathreadneedle.co.uk)

#### Investment Manager

Threadneedle Asset Management Limited  
Cannon Place  
78 Cannon Street  
London EC4N 6AG

#### Depositary\*

Citibank UK Limited  
(Authorised by the Prudential Regulatory Authority (PRA) and regulated by the FCA and PRA)  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

#### Legal Advisers

Eversheds Sutherland (International) LLP  
One Wood Street  
London EC4V 7WS

#### Independent Auditor

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

#### Standing Independent Valuers

CBRE Limited  
Kingsley House  
Wimpole Street  
London W1G 0RE

#### Colliers International Property Consultants Ltd

1<sup>st</sup> Floor  
50 George Street  
London W1U 7GA

\*Effective on 16 October 2021, the legal entity acting as the Depositary of the Company changed from Citibank Europe plc, UK Branch to Citibank UK Limited.

\*\*Please note that calls may be recorded.

To find out more visit [columbiathreadneedle.com](https://columbiathreadneedle.com)



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