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Client Reference Number: [<Client>]

9 March 2015

Dear Investor,

Proposal to convert the Threadneedle UK Property Trust into a UK Property Authorised Investment Fund

We are writing to you as an investor in the Threadneedle UK Property Trust (the Trust) to request your approval to convert the Trust into a UK Property Authorised Investment Fund (the Threadneedle PAIF).

A PAIF is an open-ended investment company, the gains of which are exempt from corporation tax. This structure was introduced by HMRC as a way of enabling eligible investors in authorised UK property funds to receive gross income from their investments (i.e. not taxed). The PAIF structure therefore brings significant benefits to our tax-exempt investors, including individuals investing through a New Individual Savings Account (NISA) or Self-Invested Personal Pension (SIPP), as well as tax-exempt institutional investors such as charities and pension funds.

We believe that the Trust's conversion to a PAIF will boost the income of tax-exempt investors by 25%, with little or no implication for our non-exempt investors. For further information, please refer to Table 1 on page 13 of the enclosed circular document. As such we believe the proposal is in the best interests of the current unitholders in the Trust.

How will my investment be affected by the conversion?

The proposed changes will not affect the value of your investment, the way it is managed, or its risk profile. However, the Threadneedle PAIF will pay income distributions on a quarterly basis whereas the Trust pays half-yearly.

Threadneedle will bear all costs associated with the proposed conversion. The conversion will not result in any changes to the fees paid by you, and you will remain in a share class directly corresponding to your current unit class.

What do I need to do?

In order to proceed, this proposal needs approval at an extraordinary general meeting of unitholders, with not less than 75% of votes being in its favour.

Before you make your decision, please read the enclosed circular document, which provides full details regarding the proposed conversion, as well as a summary of the tax implications and the procedures involved. We have also enclosed a Questions and Answers booklet to assist you.

To vote, please return your completed Form of Proxy in the enclosed pre-paid envelope. We need to receive your form no later than 9.30 am on 7 April 2015. You are also welcome to attend the meeting and vote in person. If approved, the conversion will proceed on 2 May 2015.

Additional requirements for corporate investors only

Before being allowed to hold shares in the Threadneedle PAIF, every corporate entity wishing to own shares on its own behalf, or as nominee for another corporate entity, must provide us with certain declarations and undertakings in order to satisfy HMRC rules. For this purpose, the enclosed Form of Election and Corporate Declarations and Undertakings (blue coloured form) should be completed and returned to us. We need to receive this no later than 30 April 2015.

More information

If you are unclear about any of the details relating to the proposed conversion, or have any further questions, please call us free on 0800 953 0134*. Our team is available from 8.00 am to 6.00 pm Monday to Friday.

If you are unsure about your investment you should speak to a financial adviser. For details of one in your area please go to www.unbiased.co.uk**

Yours faithfully



Campbell Fleming, CEO
For and on behalf of
Threadneedle Investment Services Limited
as Manager of the Threadneedle UK Property Trust

*Calls may be recorded

** Please note that Threadneedle does not endorse the website or the advisers displayed