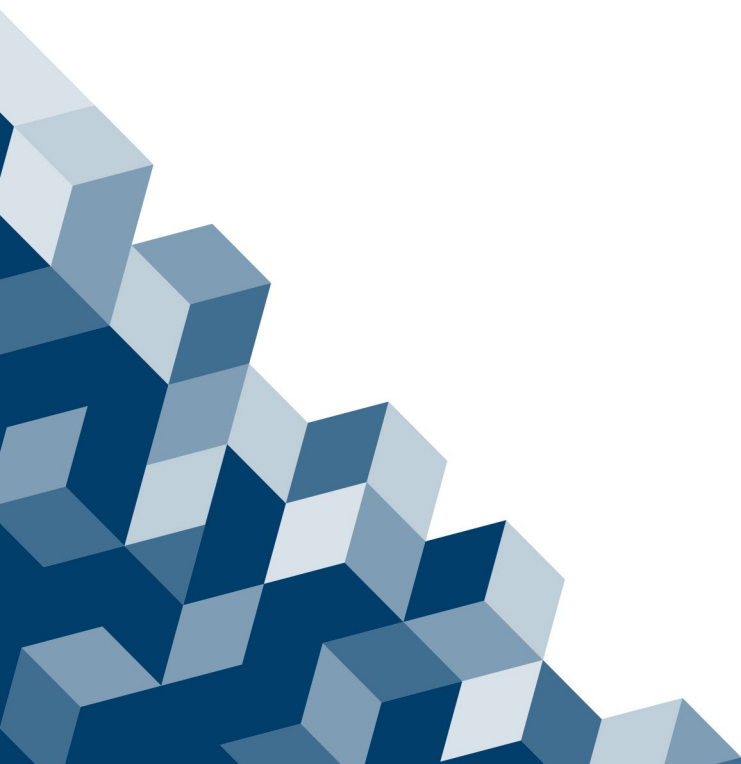




Your success. Our priority.

Threadneedle Property Unit Trust Quarterly Report as at 30 June 2021

Confidential



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Mandate Summary

Contact Information



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Mandate

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

Fund Information

■ Total Assets	GBP 1,414 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Bid	291.12
■ Offer	301.29
■ NAV	284.55
■ Jersey domiciled property unit trust.	
■ Income distributed quarterly (can be reinvested)	
■ Prices and deals at month ends.	
■ Bid/offer spread maximum of 7.1%	

Portfolio Highlights



NAV £1.41 billion



184 properties



777 tenancies



Average lot size
£7.0 million



WAULT 4.6 years
(6.5 years)



Vacancy rate 7.2%
(10.1%)



Cash 6.6%
(6.0%)*



Gross rent roll
£77.1 million p.a.



GRESB Rating
67/100



Net Initial Yield 5.6%
(4.7%)



Equivalent Yield 6.7%
(6.0%)



Total return 9.4%
(8.5%)*
(12 months; Nav to Nav)

Source: Threadneedle Property Unit Trust, MSCI UK Monthly Property Index (figures in brackets) and *MSCI/AREF UK All Balanced Property Fund Index, all as at 30 June 2021

Market Context

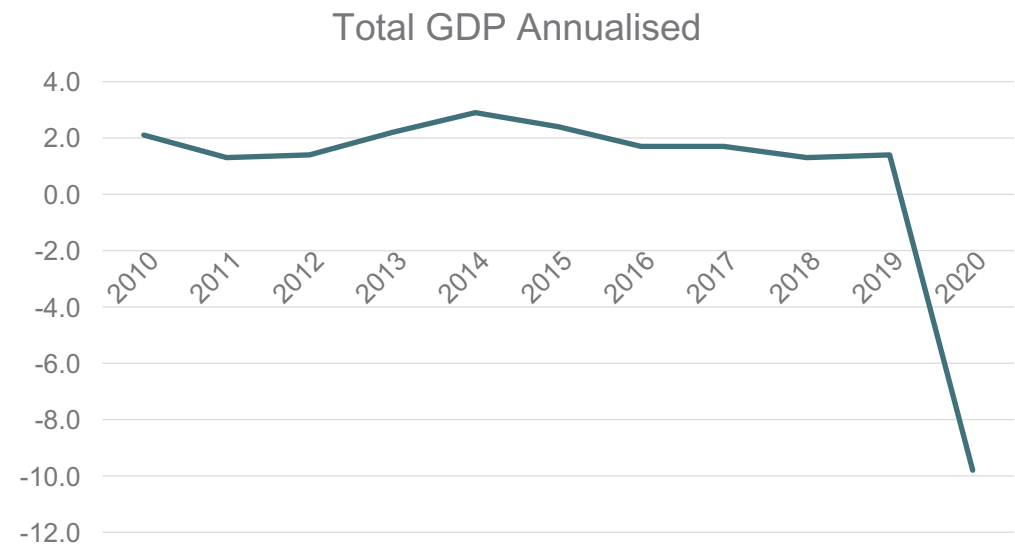
Market Commentary

Macroeconomy

Following the positive start to the UK's vaccination rollout in Q1, the second quarter has seen a turning point in the battle to suppress COVID-19 with the vaccination programme achieving world-leading critical mass, resulting in the easing of the pandemic restrictions. The UK's economic recovery continues to gather momentum, with unemployment remaining low at 4.8%, reflecting an increase of 25,000 people employed versus the previous quarter. As at the start of July, the Office of National Statistics (ONS) estimated that between 1.3 and 1.9 million people were still on furlough/flexi-furlough, down from the peak of nearly 9 million at the height of the pandemic in May last year.

In terms of GDP growth, the UK economy expanded by 0.8% during May 2021, representing a fourth consecutive month of growth. The economy is now only 3.1% below its pre-pandemic level. June 2021 saw a spike in inflation to 2.5% (CPI). However, as the economy continues to expand, the Bank of England may tolerate a temporary rise in inflation above its 2% target and keep interest rates at the current level of 0.1%. The macro-economic outlook is characterised by positive investor sentiment as the UK abandons social distancing restrictions, which economists forecast will add additional GDP growth through the second half of the year.

10-year UK GDP (Annualised)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q2 2021 report as at 30 June 2021.

Market Context

Market Commentary (continued)

Investment volumes

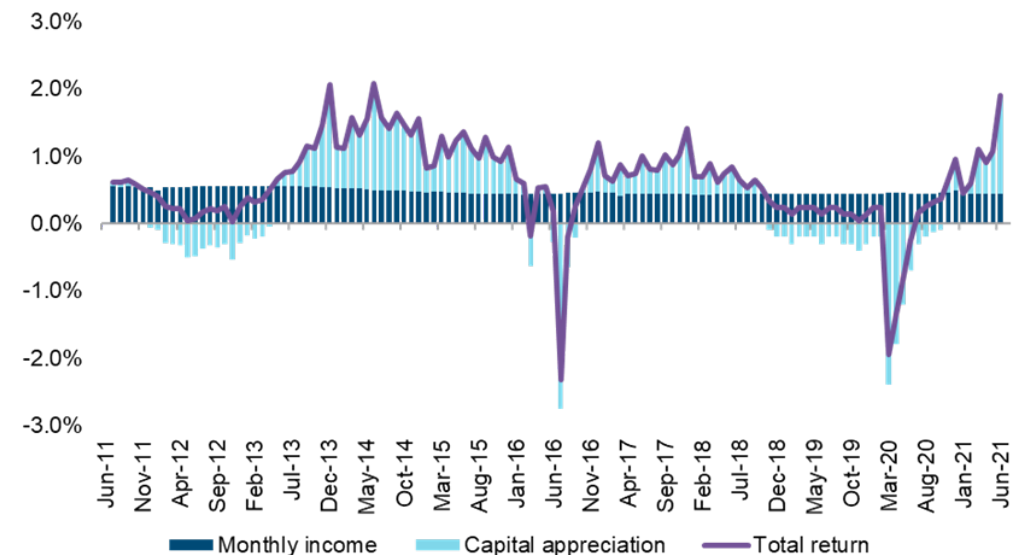
Total UK commercial property investment volumes reached £13.9bn for Q2 2021, representing a c.24% increase on Q1 2021 volumes as the lockdown measures were eased, and c.7% above the five-year quarterly average of £13.0bn as pent-up capital was deployed into the market.

Returns

Total returns for the UK property market continue to be positive, driven 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 3.9% for Q2, comprising an income return of 1.3% and capital growth at 2.6%. The performance was largely driven by the continued capital value growth in the industrial and logistics sector, but also by a 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 pre-existing trends and the recovery of the wider economy. The industrial sector recorded capital value growth of 6.6%, while retail returned to positive capital value growth of 0.7% (driven by the retail warehousing sub-sector recording a 2.5% gain). Offices recorded a capital value decline of -0.3%, reflecting the uncertainty prevailing in the occupational markets as result of a structural change in working habits. Sentiment is expected to improve in Q3 following the withdrawal of guidance on 19 July that required people to work from home.

10-year UK Commercial property total returns (Monthly)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q2 2021 report as at 30 June 2021.

Market Context

Market Commentary (continued)

Occupational trends

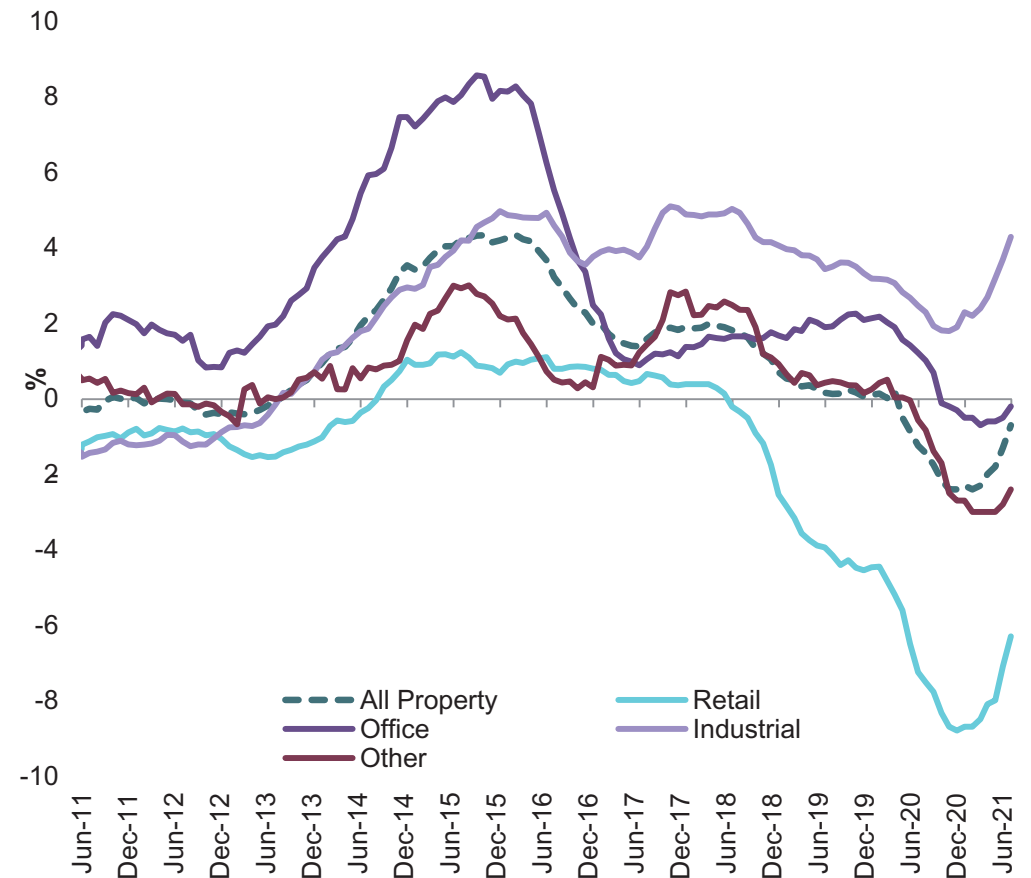
In line with capital trends, the occupier markets have been boosted by the increase in consumer and business confidence. The industrial sector has seen continued consecutive performance largely as a result of diminishing availability causing inflationary pressure on rents. The sector recorded rental value growth of 1.8% and quarterly record take-up of 16.1 million sq. ft. in Q2. The retail sector saw rental declines of -1.0%, whilst the office market returned to growth of 0.1%, despite the structural headwinds of future working behaviours.

Outlook

The “All Property” Net Initial Yield at the end of June 2021 contracted 20 bps to 4.8%, reflecting the strong capital gain evidenced above. With the base rate (0.1%) and ‘risk free’ rate of 10-year gilts (0.6%) at close to historic low levels, the commercial property market continues to assert its highly attractive relative income attributes.

With the successful vaccine rollout weakening the link between COVID-19 infections and hospitalisations, we expect business and investor confidence to strengthen and the economic recovery to continue. We remain confident in the performance potential of UK property in this macroeconomic environment.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q2 2021 report as at 30 June 2021.

Fund Overview – Q2 2021

Material Changes

- There were no material changes relating to arrangements for managing the liquidity of the Fund.

Portfolio Activity

- The Fund continued its successful programme of selling non-core assets, typically targeting private investors attracted by the gross yields offered by the high-street retail sector, as a means to generate liquidity and maximise future fund performance potential. During the quarter, the fund sold a total of seven assets, of which five were high-street assets, generating gross sales receipts of £12.9m. Of these transactions, four high-street assets were sold at auction, generating an average premium of 15.5% to the prevailing independent valuations. The highlight of the quarter was the sale of a part-unoccupied retail warehouse terrace in Pontypridd to an owner-occupier for £2.5m, representing a 79% premium to valuation.

Rent collection

- The fund continues to work with its tenants on a case-by-case basis to agree appropriate strategies for rent collection having regard to both government legislation and industry guidance, as well as to the cashflow position of its occupiers' businesses. As a result of the work undertaken by fund's asset and property managers, rent collection for the quarter stood at 91.9% (as at 22 July 2021).

Liquidity

- The fund continued to maintain a robust liquidity position with cash of £91.3m equivalent to 6.5% of NAV. We continue to monitor liquidity closely as a means to protect the fund against any residual market volatility and to exploit buying opportunities should they arise.

Performance

- The fund returned a second consecutive quarter of outperformance, delivering a total return of 4.2%, 0.4% against its benchmark. The continued outperformance

reflected the strategic approach to a defensively positioned fund with high relative income yields, significant portfolio diversification and the potential to add value through proactive asset management. The fund's total returns continued to be supported by a high relative distribution yield of 4.2%, 27% above the benchmark level of 3.3% as at 30 June 2021.

Attribution

- During the 12 months ending 30 June 2021, the fund's directly held property assets generated relative total returns of 2.5% against the broader property market (as represented by the MSCI UK Monthly Property index). This was achieved through a positive relative-income return of 1.0% and positive capital value growth of 1.4%. The fund's retail assets performed better than the wider market by 9.1%, delivering a total return of 10.7%. Offices, however, underperformed by -0.6% relative to the market, producing a total return of 1.5%. With the strong industrial performance of Greater London filtering throughout the UK regional markets, the fund's total returns from the sector are now in line with the market. The fund's 'other' assets underperformed the market as a result of exaggerated capital value declines during the period. As noted last quarter, other assets are concentrated in the leisure sector, which has suffered from the impact of Covid-19 to a greater extent than other sub-sectors (Source: MSCI, TPUT directly held assets compared to the MSCI UK Monthly Property index – June 2021).

Outlook

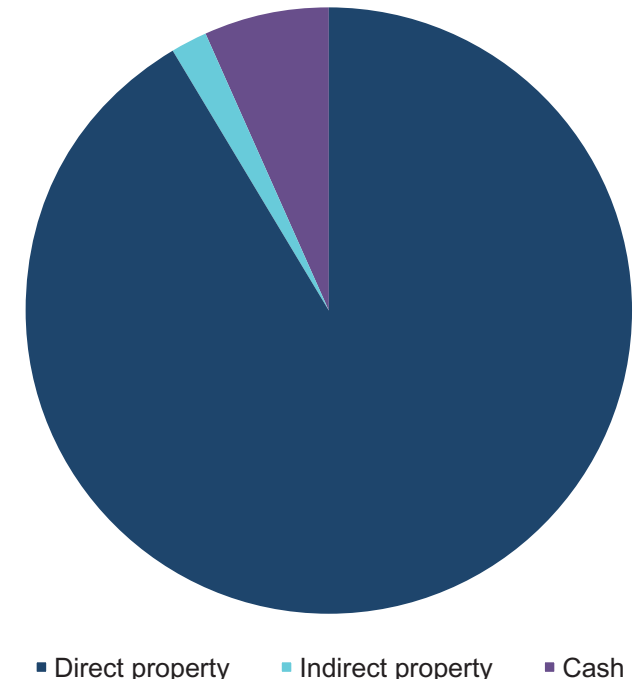
- With the macroeconomic recovery continuing to gather momentum, we continue to believe the fund is well placed to capture further positive relative performance through its enduring focus on actively managing property assets to generate a high and sustainable income-yield advantage from a diverse asset and tenant base. The fund's property assets currently offer a net initial yield of 5.6% against 4.7% offered by the MSCI UK Monthly Property index. The fund's overweight positions in regional industrials and retail warehouses should provide positive performance prospects over the second half of 2021 on a relative basis.

Portfolio Characteristics

Net Fund Value	£1,414 million
Asset exposure	Property, Cash, Indirect
Cash	6.5%
Indirect	1.9%
Number of properties excluding indirect	184
Average lot size	£7.0 million
Total gross passing rent	£77.1 million p.a.
Number of occupied tenancies	777
Key tenants	Top 10 tenants form 17.0% of total rent roll.
Portfolio turnover ratio	-2.18%

	TPUT	MSCI Monthly Index
Net Initial yield	5.6%	4.7%
Equivalent yield	6.7%	6.0%
Distribution yield*	4.2%	2.3%
Average term to break	4.6 years	6.5 years
Vacancy rate	7.2%	10.1%

Fund composition



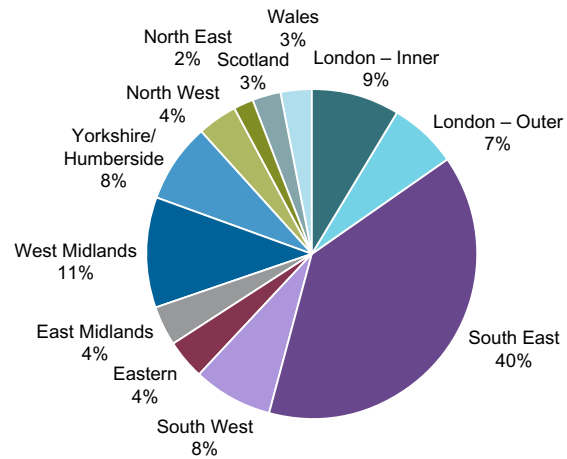
Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 30 June 2021.

*Source: Columbia Threadneedle Investments as at 30 June 2021 compared to MSCI/AREF UK All Balanced Property Funds Weighted Average.

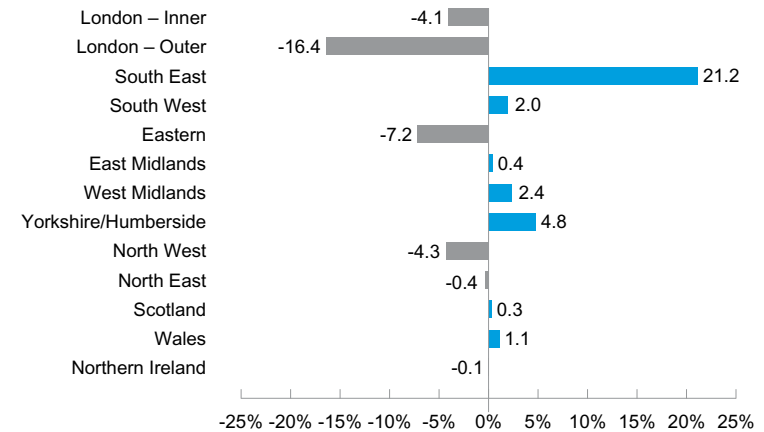
Distribution yield as at 30 June 2021

Portfolio Sector and Geographical Positioning

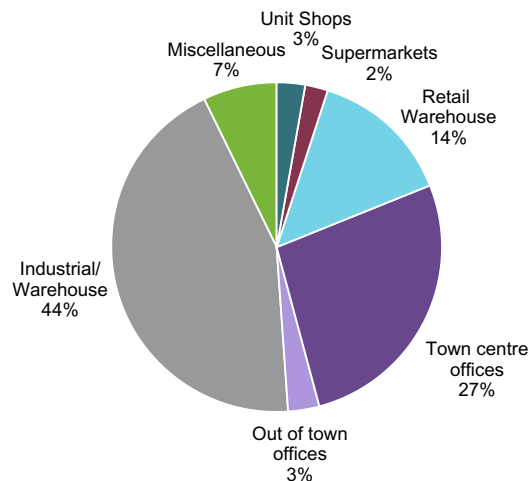
Portfolio weighting – geographical split



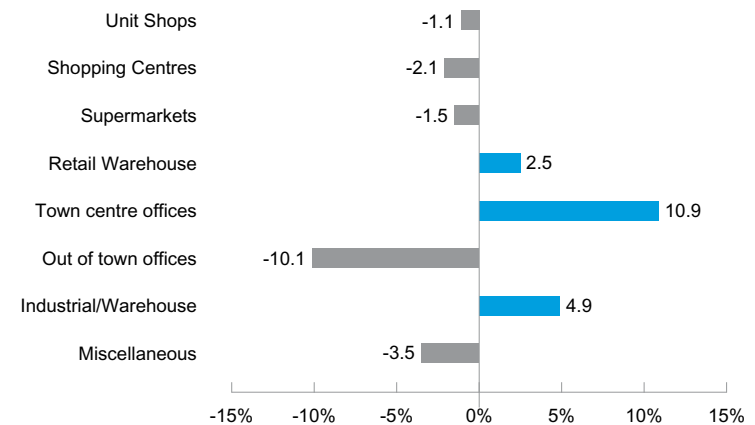
Relative portfolio weighting (%) versus MSCI Monthly Index



Portfolio weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

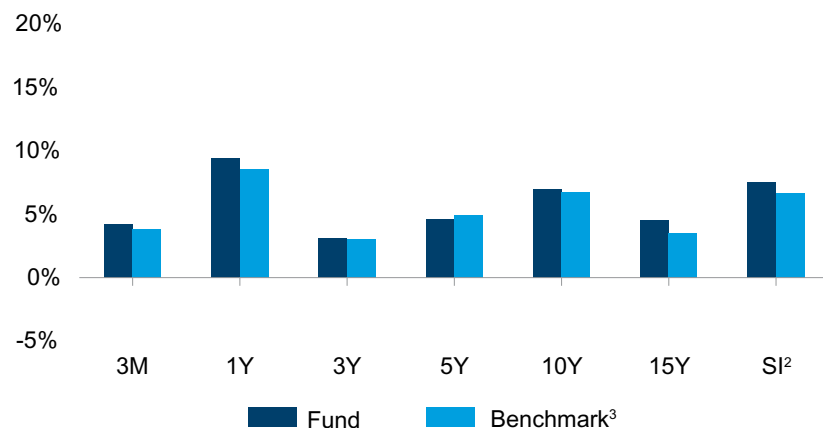


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 30 June 2021

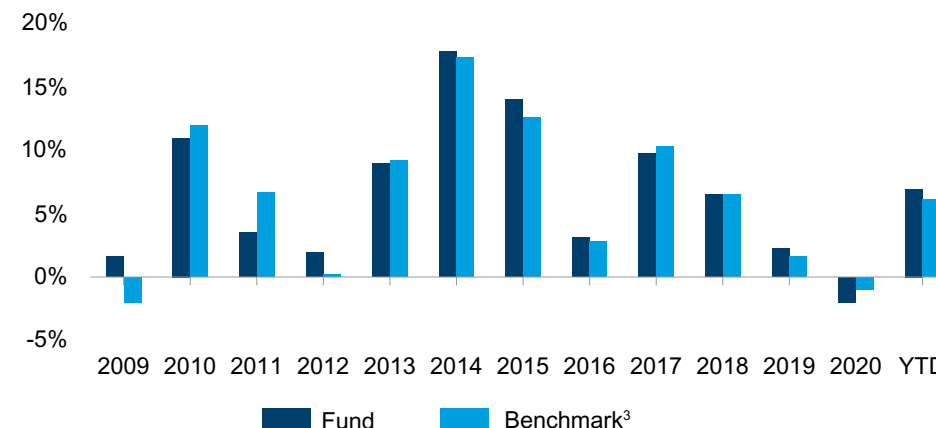
Performance

Long Term Performance

Discrete periods¹



Calendar Years



Fund Performance

Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	4.2	6.9	9.4	3.1	4.6	6.9	4.5	7.5
Benchmark**	3.8	6.1	8.5	3.0	4.9	6.7	3.5	6.6
Relative (Arithmetic)	0.4	0.8	0.9	0.1	-0.3	0.2	1.0	0.9

Source: AREF/IPD 31 March 1999

* Since Inception – January 1999

** MSCI/AREF UK All Balanced Property Funds Weighted Average. Based on NAV to NAV (net of fees) from 1/01/2014. Historical returns are for information purposes only.

Notes: 1. Periods > one year are annualised.

2. SI = Since Inception. 31 March 1999 Columbia Threadneedle Investments was appointed investment advisor to the Trust in November 1998.

3. Benchmark shown is the benchmark of the fund, as detailed on page 3.

Source: Portfolio – Columbia Threadneedle Investments. Based on NAV to NAV (net of fees).

Benchmark – MSCI/AREF UK All Balanced Property Funds Weighted Average. Based on NAV to NAV (net of fees) from 1/01/2014. Historical returns are for informational purposes only.

Top 10 Direct Holdings and Tenants

Property

Location	Name	Sector	Lot size (£m)
Croydon	19 Commerce Way	Industrial / Warehouse	25-50
London W1	46 Foley Street	Town Centre Offices	25-50
Trowbridge	Trowbridge & Spitfire Retail Park	Retail Warehouse	10-25
Hayes	Springfield Rd Ind Est.	Industrial / Warehouse	10-25
London SW1	Warwick House	Town Centre Offices	10-25
St Albans	Abbey View	Town Centre Offices	10-25
Hampton	Kempton Gate	Industrial / Warehouse	10-25
London EC1	Parchment House	Town Centre Offices	10-25
Redhill	Red Central	Town Centre Offices	10-25
Coventry	Skydome	Miscellaneous	10-25

Tenant

	% of rents passing
EV Retail Limited	3.4
Tesco PLC	2.3
Dixons Carphone PLC	2.1
Travis Perkins PLC	2.0
AMC UK Holdings Limited	1.4
Neuheim Lux Group Holding V SARL	1.4
Walgreens Boots Alliance Scottish LP	1.2
Missouri Topco Limited	1.2
Pets At Home Holdings Limited	1.1
Xpediator PLC	1.1

Source: Columbia Threadneedle Investments as at 30 June 2021

Investment Activity – Key Purchases and Sales Over Q2 2021

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
None				
Sales				
Units A, B and C, Midway Retail Park, Pontypridd (PART)*	Q2 2021	Retail Warehouse	0-2.5	–
Mercedes Benz, Ampthill Road, Bedford	Q2 2021	Miscellaneous	5-10	–
Co-Operative, Barras Street, Liskeard	Q2 2021	Supermarket	0-2.5	–
St Peter's Square, Nottingham, NG1 2NW	Q2 2021	Unit Shop	0-2.5	–
55 Park Street, Bristol	Q2 2021	Miscellaneous	0-2.5	–
34 Queen Street, Cardiff	Q2 2021	Unit Shop	0-2.5	–
37 Palmerston Road, Southsea	Q2 2021	Unit Shop	0-2.5	–

Source: Columbia Threadneedle Investments as at 30 June 2021
 Figures reflect headline prices and topped up rents where rental top ups provided by vendor.

UK Real Estate: Responsible Investment

Key principles applied in practice



“The real estate industry has a critical role to play in mitigating climate change. We must work collectively to ensure our buildings evolve to deliver against Net Zero targets. Investing in this commitment now will create long-term value for all our stakeholders.”

Joseph Vullo, Head of UK Real Estate

“We strive to be responsible stewards of our clients capital”



We manage assets in accordance with longstanding ESG principles, enshrined within our UK Real Estate Policy Statement

“It’s everyone’s responsibility”



ESG principles and performance metrics are embedded within our investment, asset management, refurbishment and property management processes

“Investing responsibly is complimentary to our funds’ financial objectives”



As active managers, we continually adapt and improve our assets to reflect market dynamics and ultimately maximise value for our investors

UK Real Estate Responsible Investment update

ENVIRONMENTAL



- Net Zero pathway will be published 2021
- Quarterly and annual SECR reporting – shows continual improvement in energy and GHG emissions
- Sustainability audits completed for top 20 assets
- Monitor Flood Risk annually

SOCIAL



- Annual tenant engagement surveys
- Social Value Assessments
- Developing a Social Value Framework incorporating refurbishment and management (e.g. by utilising the Columbia Threadneedle Foundation)

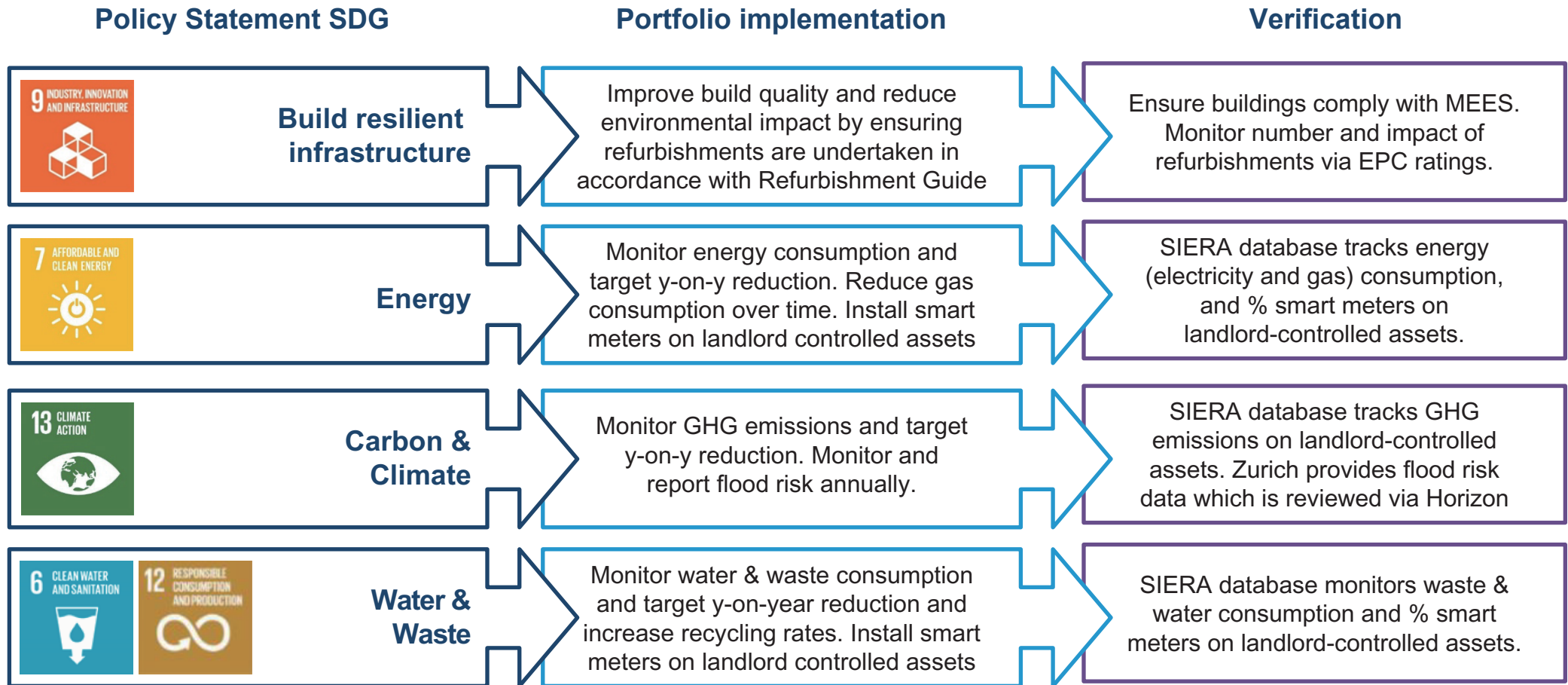
GOVERNANCE



- Robust established governance structures
- ESG governance and oversight framework improved 2021
- Consistently highly scoring in GRESB
- ISAE enhancements to capture ESG

Responsible Investment: Implementation

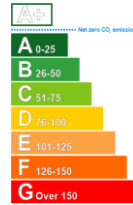
ESG Policy Statement sets a clearly defined Road Map to achieve corporate Sustainable Development Goals



Source: Columbia Threadneedle Investments, as at 31 December 2020.

Responsible Investment: Portfolio Monitoring

Energy performance potential EPCs



- Portfolio coverage: 96.8%
- Average EPC rating: C
- 20 works projects completed (past 12 months)
- 74.7% of refurbishments delivered 'B rating'

Carbon and climate GHG emissions / flood risk



- GHG portfolio coverage: 60.2%*
- L-f-L Greenhouse Gas Emissions -27.8%
- Flood risk portfolio coverage: 100%
- High / extreme risk: 10 assets / 3.4% value

Note: L-f-L = top 20 assets year-on-year change to 31 Dec 2020

Energy consumption



- Portfolio coverage: 60.2%*
- L-f-L total energy consumption: -21.9%
- L-f-L electricity consumption: -33.0%
- L-f-L gas consumption: -18.0%

Note: L-f-L = top 20 assets year-on-year change to 31 Dec 2020

Water and waste



- Water portfolio coverage: 24.5%*
- L-f-L water consumption: N/A
- Waste portfolio coverage: 20.9%*
- L-f-L waste consumption: N/A

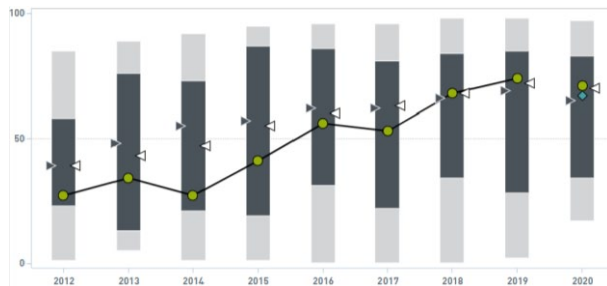
Note: L-f-L = top 20 assets year-on-year change to 31 Dec 2020

Source: Columbia Threadneedle Investments, all as at 30 June 2021 unless otherwise stated. Portfolio coverage marked * denotes 12-month coverage through the period ending 31 March 2021

Responsible Investment: GRESB



G R E S B
 ★ ★ ☆ ☆ ☆ 2020



- ◆ This Entity
- Theoretical score calculated using the 2019 Assessment structure
- Peer Group Range
- GRESB Range
- ▶ Peer Group Average
- ◀ GRESB Average

Global Real Estate Sustainability Benchmark

Key takeaways

- Ninth year of the Fund’s submission to GRESB
- Scored 67 out of 100 (Peer Average = 65)
- Ranked 31st within its peer group of 84 funds
- Benchmark reweighted for 2020: TPUT score reduced in consequence

Strengths

- Governance consistently above average (19/20)
- Data monitoring (especially energy and GHG) consistently score well

Areas of improvement

- Building certification (note: inconsistent with Fund strategy)
- Water / waste landlord data coverage currently incomplete
- Engagement with tenants required to improve data coverage on FRI buildings

Source: Columbia Threadneedle Investments, as at 31 March 2021. All intellectual property rights in the brands and logos set out in this slide are reserved by respective owners.

Responsible Investment: Case Studies



Skydome, Coventry

- 161,900 sq. ft. leisure complex
- Fund's highest energy consuming asset
- Sustainability audits undertaken since 2018, resulting in y-on-y reductions in consumption and GHG emissions
- Cap ex of £1.4 million allocated in 2021 (S/C recoverable) to replace legacy boilers, upgrade and improve the BMC, and replace the roof
- New 359kWp photovoltaic (PV) system using high wattage panels will be installed on the roof
- Forecast to generate approx. 302,404 kWh, meeting approx. 10% of the electricity consumption at the site.



Unit C, Swift Point, Rugby

- 122,000 sq. ft. industrial warehouse
- Full refurbishment: cost £2.0 million (£16 per sq. ft.)
- Previous tenant vacated in December 2019 - £1.35m dilapidations settlement
- Refurbishment to Grade A resulted in EPC improvement from C to B (37) rating
- New letting secured within 3 months of PC
- Achieved rent at £6.25 per sq. ft.* represents an uplift of +15.7% on previous passing rent
- Capital uplift +30.0%

Source: Columbia Threadneedle Investments

ESG Reporting: EPC Data

	2020	April 2021	July 2021	Indicative Target
Property assets	199	190	184	–
Rateable units	861	849	841	–
EPC coverage (% rateable units)	88.6%	93.6%	96.8%	100%
EPC rated A (% rateable units)	0.2%	0.4%	0.4%	>25%
EPC rated B (% rateable units)	11.3%	15.3%	16.3%	>50%
EPC rated C (% rateable units)	34.7%	36.4%	37.1%	<25%
EPC rated D (% rateable units)	30.0%	30.0%	31.9%	0% by end 2030
EPC rated E (% rateable units)	10.0%	9.7%	10.0%	0% by end 2030
EPC rated F (% rateable units)	0.9%	1.1%	0.6%	0% by end 2022
EPC rated G (% rateable units)	0.8%	0.9%	0.6%	0% by end 2021

Source: Columbia Threadneedle Investments. TPUT direct property portfolio. All data as at 31 December 2020 unless otherwise stated.

ESG Reporting: Energy Consumption

	2018	2019	2020	12-months ending 31 March 2021	Target
Property assets	242	240	198	190	n/a
Landlord managed assets (S/C)	98	97	90	89	n/a
Data coverage: landlord-managed assets (gross floor area)	89%	79%	77%	84%	100%
Tenant managed assets (FRI)	144	143	108	101	n/a
Data coverage: tenant-managed assets (gross floor area)	20.5%	23.0%	29.0%	29.33%	TBA
Data coverage: whole portfolio (gross floor area)	53.4%	55.7%	61.7%	60.18%	TBA
Total portfolio energy consumption – absolute	26,921,092 kWh (12.2%)	25,489,785 kWh (-5.3%)	21,701,092 kWh (-15.0%)	39,620,283 kWh (84.8%)	TBA
Total portfolio electricity consumption – absolute	16,444,766 kWh (21.4%)	17,842,685 kWh (8.5%)	13,773,889 kWh (-30.5%)	27,258,720 kWh (100.8%)	TBA
Total portfolio gas consumption – absolute	10,476,323 kWh (20.9%)	7,577,826 kWh (-27.7%)	6,554,657 kWh (-15.6%)	12,361,563 kWh (89.9%)	TBA

Source: Columbia Threadneedle Investments. TPUT direct property portfolio. All data as at 31 December 2020 unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway in 2021

ESG Reporting: Greenhouse Gas (GHG) Emissions

	2018	2019	2020	12-months ending 31 March 2021	Target
Property assets	242	218	198	190	n/a
Landlord managed assets (S/C)	98	92	90	89	n/a
Data coverage: landlord-managed assets (gross floor area)	86%	86%	86%	84%	100%
Tenant managed assets (FRI)	144	143	108	101	n/a
Data coverage: tenant-managed assets (gross floor area)	17.0%	17.6%	29.0%	29.33%	TBA
Data coverage: whole portfolio (gross floor area)	48.8%	50.0%	61.7%	60.18%	TBA
GHG emissions – absolute (year on year % difference)	7,615 tonnes (7.6%)	5,993 tonnes (-21.3%)	3,966.0 tonnes (-33.8%)	8,052 tonnes (105.6%)	TBA

Source: Columbia Threadneedle Investments. TPUT direct property portfolio. All data as at 31 December 2020 unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway in 2021

ESG Reporting: Water and Waste Consumption

		2018	2019	2020	12-months ending 31 March 2021	Target
Property assets		242	218	196	190	n/a
Landlord managed assets (S/C)		98	92	90	89	n/a
Data coverage: landlord-managed assets (gross floor area)	Water	39%	39%	31%	33%	100%
	Waste	14%	27%	27%	24%	100%
Tenant managed assets (FRI)		144	143	124	101	n/a
Data coverage: tenant-managed assets (gross floor area)	Water	0	8.0%	8.7%	13.00%	TBA
	Waste	0	13.2%	14.07%	17.00%	TBA
Data coverage: whole portfolio (gross floor area)	Water	15.7%	23.2%	24.0%	24.49%	TBA
	Waste	7.0%	20.0%	21.1%	20.94%	TBA
Total water consumption – absolute		130,373 m ³	279,902 m ³	271,535 m ³	46,787 m ³	TBC
Total waste consumption – absolute		399.00 tonnes	788.72 tonnes	8,795.74 tonnes	1,586.35 tonnes	TBC

Source: Columbia Threadneedle Investments. TPUT direct property portfolio. All data as at 31 December 2020 unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway in 2021

ESG Reporting: Flood Risk

Portfolio risk exposure by value	2020 (April)	2021 (April)	Target
Property assets	200	190	n/a
Low	159 75.4%	152 74.8%	TBA
Medium	31 20.7%	30 21.7%	TBA
High	5 2.3%	5 2.0%	TBA
Extreme	5 1.5%	3 1.5%	TBA

Extreme risk assets	High risk assets
Sheffield, The Square	Derby, 20-25 Albert Street
Bristol, 11-13 Gloucester Road	Bristol, 2 Zetland Road
London E10, Lea Bridge Road	Bristol, 786 Fishponds
	Redhill, Red Central
	Galashiels, Gala Water Park

Source: Columbia Threadneedle Investments. TPUT direct property portfolio. All data as at 31 December 2020 unless otherwise stated

Risk Management Report – Threadneedle Property Unit Trust (TPUT) – June 2021

The key areas of risk impacting this fund as at the end of June 2021 are outlined below:

Key: Low Risk Medium Risk High Risk

RISK DESCRIPTION	SENSITIVITY	MEASURES	RISK COMMENT (Limits exceeded/ positive risks)
Liquidity	Medium – Open ended Fund but Trust Deed provides the manager with the power to control inflows and outflows if in the interests of remaining Unit Holders.	Current target liquidity of 6.5% of GAV with temporary ceiling of 8.5% under Trust inflow protocol.	Liquidity at quarter end: 6.5%
Leverage	Low – Scheme restricts allowable leverage limits	Trust deed permits leverage up to 35% of NAV. Investment Guidelines strategic aim of borrowing at maximum 10% of GAV	Current leverage: Nil
Development	Low – significant spread of property with no current speculative development.	Trust deed sets a maximum 20% of NAV (not let or pre-let). Investment Guidelines restrict to maximum 10% of NAV (not let or pre-let) to be in course of substantial development.	Total Current Development as % NAV: Nil
Market	Medium – Fund exposed to impact of volatility within the market	5 year monthly total return volatility using the IPD all property index	5 year monthly total return volatility as at June 2021: 10.05%
Single Occupancy Risk Exposure	Low – good spread and diversity of tenants	Trust Deed: Exposure to single tenant as percentage of total rental income not to exceed 20%. Investment Guidelines: restricted to 10% of total rental income.	Current highest rental income from one tenant: 3.43% of total rental income.
High Value Property	Low – Pre-purchase due diligence and diversity of portfolio.	Trust Deed: Maximum allowable value of any one purchase: 15% of NAV. Investment Guidelines: Maximum 10% of GAV on an ongoing basis.	Largest current property asset as % of GAV: 3.4%
Single Investor	Medium – Monthly dealt fund with no restriction on maximum investment	Optimum maximum exposure of no more than 10% total investment from one single investor	Highest single investment at quarter end: 6.01%
Vacancy Rates	Low – good spread and diversity of tenants	No specific tolerance in Trust Deed but up to 15% of total Estimated Rental Value (ERV) excluding property under redevelopment would be regarded as tolerable.	Total Estimated Rental Value of vacant space at end of quarter: 7.2%
Rental collection	Medium – Large number of properties with rental income focused on wide number of tenants.	Target: 95% of Rental Income to be collected within 21 days of quarter day	Quarter ending June 2021: 78.52% collected at day 21. ¹
Counterparty	Low – Minimal Counterparty Exposure	No Maximum restriction within scheme.	Deposits with single bank at end of quarter: 4.31% of GAV.
Leasehold interest	Low – Low incidence of short leasehold interest	Trust Deed: not more than 15% of NAV to comprise leasehold interests with less than 60 years unexpired.	Value of leasehold properties with less than 60 years unexpired: Less than 1% of NAV

¹ Collection of rent significantly impacted by COVID-19 pandemic.

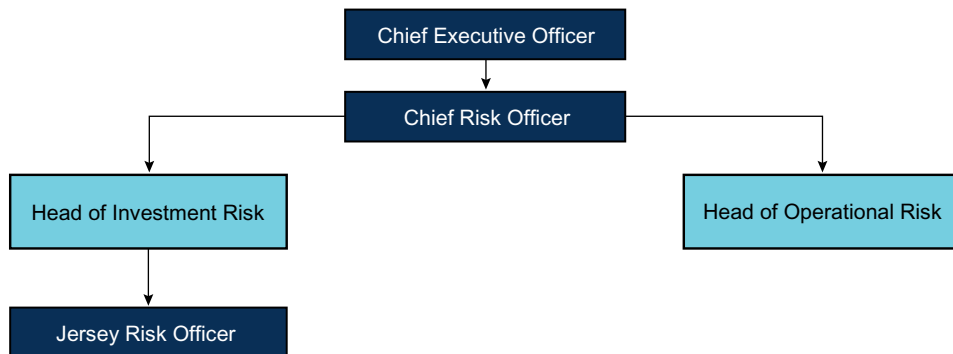
The Columbia Threadneedle Investments EMEA Property Risk Management System

The Columbia Threadneedle Investments EMEA Property Risk Management Team (the “Risk Team”), collectively provides risk management services to all Columbia Threadneedle Investments entities. The Risk Team function is led by the Head of Investment Risk and the Head of Operational Risk reporting to the Chief Executive Officer of Columbia Threadneedle Investments.

The Risk Team:

- Oversees implementation of the risk management policy and procedures;
- Oversees compliance with risk limits within each property fund;
- Provides advice regarding the identification of the risk profile of a Fund;
- Provides regular reports to various Boards and relevant committees on:
 - the consistency between the current level of risk incurred by each Fund and the risk profile agreed for that Fund;
 - the compliance of the Funds with risk limits identified in fund prospectus or investment management agreements; and
 - the adequacy and effectiveness of the risk management process, indicating in particular whether appropriate remedial measures have been taken in the event of any deficiencies;
- Ensures regular reports are provided outlining the current level of risk incurred by the relevant fund and any actual or foreseeable breaches to their limits, so as to ensure that prompt and appropriate remedial action can be taken.

A structure chart of the Risk Team as it relates to property risk is provided below. The Risk Team has an independent reporting line to the CEO of Columbia Threadneedle Investments:



Threadneedle Investments (Channel Islands) Limited as Manager of the Fund have appointed an independent Jersey Risk Officer.

The Jersey Risk Officer oversees regular monitoring of risk data associated with the Fund. Typically, this data comprises a combination of:

- Market price risk data
- Leverage and interest rate risk
- Liquidity and cash flow risk
- Tenant credit rating
- Tenant exposure
- Rental income and collection
- Vacancy rates within the fund

Data is monitored in conjunction with the investment rationale for the property Funds and any Investment Management agreements in place to ensure that the risks faced by the Fund are assessed adequately and controlled appropriately.

The Risk Team is responsible for overseeing the provision of data, risk analysis and recommendations that are reliable, timely and accurate and its performance is the subject of regular periodic reviews by the Columbia Threadneedle Investments (Group level) internal audit function.

Columbia Threadneedle Investments purchases Professional Indemnity insurance in order to cover its perceived risks to a level in accordance with regulatory requirements and commensurate with its needs as a responsible asset manager.

This insurance is purchased as part of the Columbia Threadneedle Investments Group insurance arrangements, is reviewed on an annual basis and is administered by the Property Governance and Insurance Team.

Columbia Threadneedle Investments' fund managers and support staff collectively meet on a monthly basis to discuss all funds and potential impacts/strategy in an open forum, which is attended by the Property Governance and Insurance Team.

Material Changes

Rental collection – The risk rating changed from Green to Red as only 57.55% of rent was collected within 21 days of quarter day due to the current exceptional market environment.

Kevin Mundy
Jersey Risk Officer
June 2021

Glossary of Terms

- **NAV:** The net asset value of the Fund will be calculated as at the last Business Day of each month (a “Pricing Day”). More details are available in the Prospectus.
- **Bid/Offer Spread:** The bid/offer spread on units reflects the costs of buying and selling investments.
- **Initial yield:** The rent passing net of ground rent, NR, as a percentage of the gross capital value, GCV, at the same date.

NR / GCV
- **Reversionary yield:** The open market rental value net of ground rent, NOMRV, as a percentage of the gross capital value, GCV, at the same date.

NOMRV / GCV
- **Equivalent yield:** The estimate of the discount rate which equates the future income flows relative to gross capital value. The equivalent yield discounts the current rental value in perpetuity beyond the last review date recorded for the tenancies in the subset. IPD projected cash flows are estimated from records of current tenant rents, ground rents, open market rental values, rent review and lease expiry dates, and tenant options to break, assuming upward only rent reviews to expiry of the lease and that tenant options to break are exercised when the tenant rent exceeds the market rent.
- **Distribution yield:** Except where indicated, a fund’s distribution yield is the sum of its distributions per unit over 12 months as a percentage of its net asset value per unit at the end of that period. The distributions used in the calculation are those earned/accrued, rather than paid, during the twelve months, and are gross of tax, net of fees.
- **MSCI UK Monthly Property Index:** The MSCI UK Monthly Property Index measures returns to direct investment in commercial property. It is compiled from valuation and management records for individual buildings in complete portfolios, collected direct from investors by IPD. All valuations used in the Monthly Index are conducted by qualified valuers, independent of the property owners or managers, working to RICS guidelines. The Monthly Index shows total return on capital employed in market standing investments. Standing investments are properties held from one monthly valuation to the next. The market results exclude any properties bought, sold, under development, or subject to major refurbishment in the course of the month. The monthly results are chain-linked into a continuous, time-weighted, index series.
- **MSCI/AREF UK All Balanced Property Funds Weighted Average:** The MSCI/AREF UK All Balanced Property Funds Weighted Average Index measures Net Asset Value total returns on a quarterly basis. NAV in Index is the NAV of the index after the elimination of cross-holdings and deduction of management fees. Returns to the MSCI UK Monthly Property Index and to the MSCI/AREF UK All Balanced Property Funds Weighted Average Index are not directly comparable. This is largely because the UK Monthly Index measures the performance only of direct property market investments and because it excludes the impact on returns of developments and transactions. In contrast, returns to the MSCI/AREF UK All Balanced Property Funds Weighted Average Index include the impact of both developments and transactions as well as the returns from other assets (such as cash and indirect property investments), and the impact of leverage, fund-level management fees and other non-property outgoings.
- **Portfolio turnover ratio:** Defined as the total value of the quarterly purchases and sales minus the total value of the funds’ new issues and redemptions expressed as a percentage of the average NAV over the preceding four quarters.

Important Information

For investment professionals use only (not for onward distribution to, or to be relied upon by private investors).

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

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

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

Information for holder of units of the Threadneedle Pension Property Fund: Threadneedle Pensions Limited provides insurance policies that entitle to holder to the value determined with reference to the underlying investment in a pooled pension fund. The holder of a policy does not own the units in the selected fund. Columbia Threadneedle Investments does not give investment advice.

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

Conduct of Business rules. Approved for UK purposes by Threadneedle Asset Management Limited and Threadneedle Portfolio Services Limited. Authorised and regulated by the Financial Conduct Authority. Investors are advised that the protections afforded by the UK regulatory system may not apply to an investment in the Fund and compensation will not be available under the UK Financial Services Compensation Scheme.

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

This document should not be circulated to private investors.

This document does not constitute or form any part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase, any units nor shall it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefore. Recipients of this document who intend to apply for units are reminded that any such application may be made solely on the basis of the information and opinions contained in the prospectus and seek independent taxation advice.

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The information of the Threadneedle Pension Property Fund is issued by Threadneedle Pensions Limited. Registered in England and Wales, No. 984167. Registered Office: Cannon Place, 78 Cannon Street, London EC4N 6AG. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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