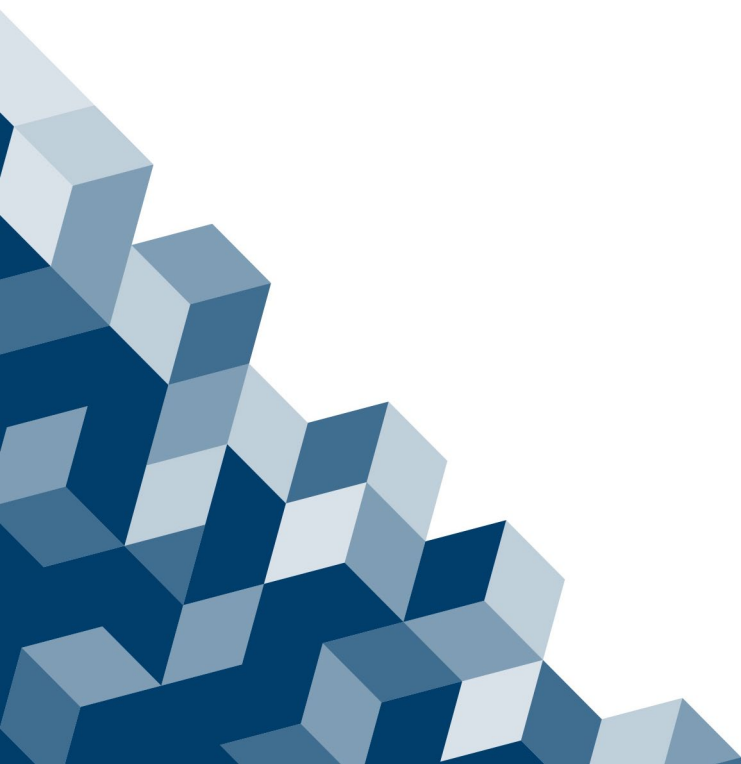




Your success. Our priority.

Threadneedle Property Unit Trust Quarterly Report as at 31 December 2021

Confidential



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Mandate Summary

Contact Information



Fund Manager	James Coke
Client Director Property	James Allum
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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 1,513 million
■ Benchmark	MSCI/AREF UK All Balanced Property Funds
■ Base currency	GBP
■ Reporting currency	GBP
■ Bid	308.99
■ Offer	331.51
■ NAV	312.81
■ Jersey domiciled property unit trust.	
■ Income distributed quarterly (can be reinvested)	
■ Prices and deals at month ends.	
■ Bid/offer spread maximum of 7.2%	

Portfolio Highlights



NAV £1.51 billion



169 properties



Average lot size
£8.3 million



745 tenancies



Gross rent roll
£74.3 million p.a.



WAULT 4.7 years
(6.5 years)



Vacancy rate 6.9%
(9.8%)



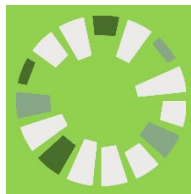
Net Initial Yield 5.0%
(4.2%)



Equivalent Yield 6.1%
(5.4%)



Cash 5.6%
(5.7%)*



GRESB Rating
75/100



Total return 20.0%
(12 months net Nav to Nav)
(19.1%)*

Source: Threadneedle Property Unit Trust, MSCI UK Monthly Property Index (figures in brackets) and *MSCI/AREF All Balanced Property Fund Index net debt % NAV, all as at 31 December 2021

Market Context

Market Commentary

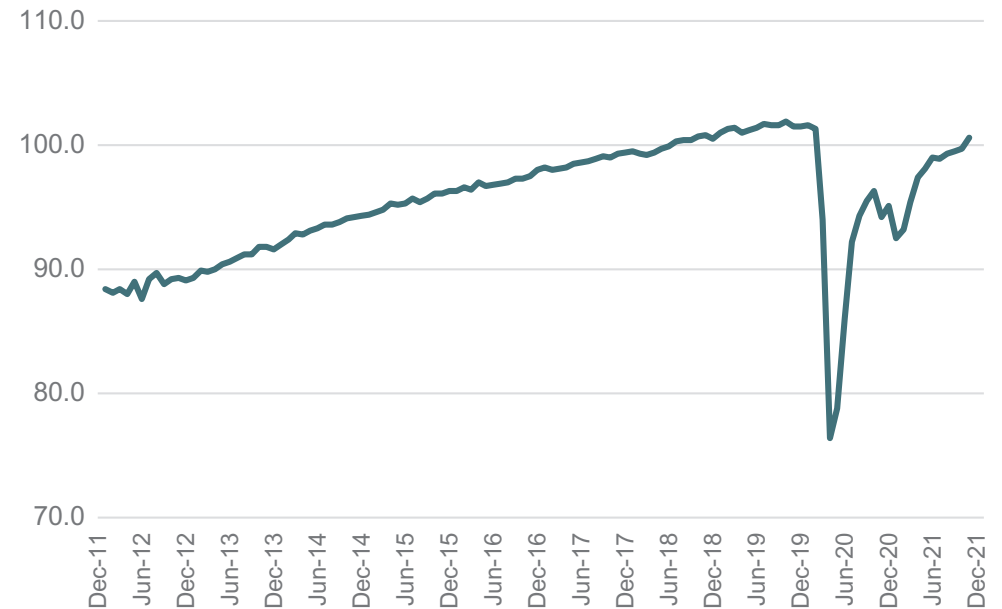
Macroeconomy

Despite the emergence of the Omicron Covid-19 variant, GDP grew by 0.9% in November 2021 which places the UK economy at 0.7% above its pre-pandemic level, indicating the scale of economic recovery.

The labour markets have also recovered to pre-pandemic levels (4%), with unemployment falling to 4.1% at the end of December 2021 and ONS figures suggesting the strong demand for labour and limited supply pushed up the number of vacancies to a record 1.24m in the three months to December. At the same time, inflationary pressures are beginning to impact on real-terms household wages, as 3 monthly average earnings growth eased from 4.9% to 4.2% and real earnings falling as a result of inflation reaching 5.4% in December 2021.

With inflation reaching the highest point in nearly 30 years, pressures remain on The Bank of England to increase interest rates at a faster rate than planned, as economists forecast CPI peaking at over 7% by April 2022, then receding in the second half of the year. The fall in inflation will in part be facilitated by policy response, such as a potential base rate increase to 0.5% and the end of Quantitative Easing in December 2021. However, an increase in rates could be viewed as a positive signal to markets that the UK economy is past the need for emergency measures and is now on a gradual path towards normalisation of policy.

10-year UK GDP (Indexed)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index, ONS GDP Monthly Estimate Nov 2021, and LSH UKIT Q4 2021 report as at 31 December 2021.

Market Context

Market Commentary (continued)

Investment volumes

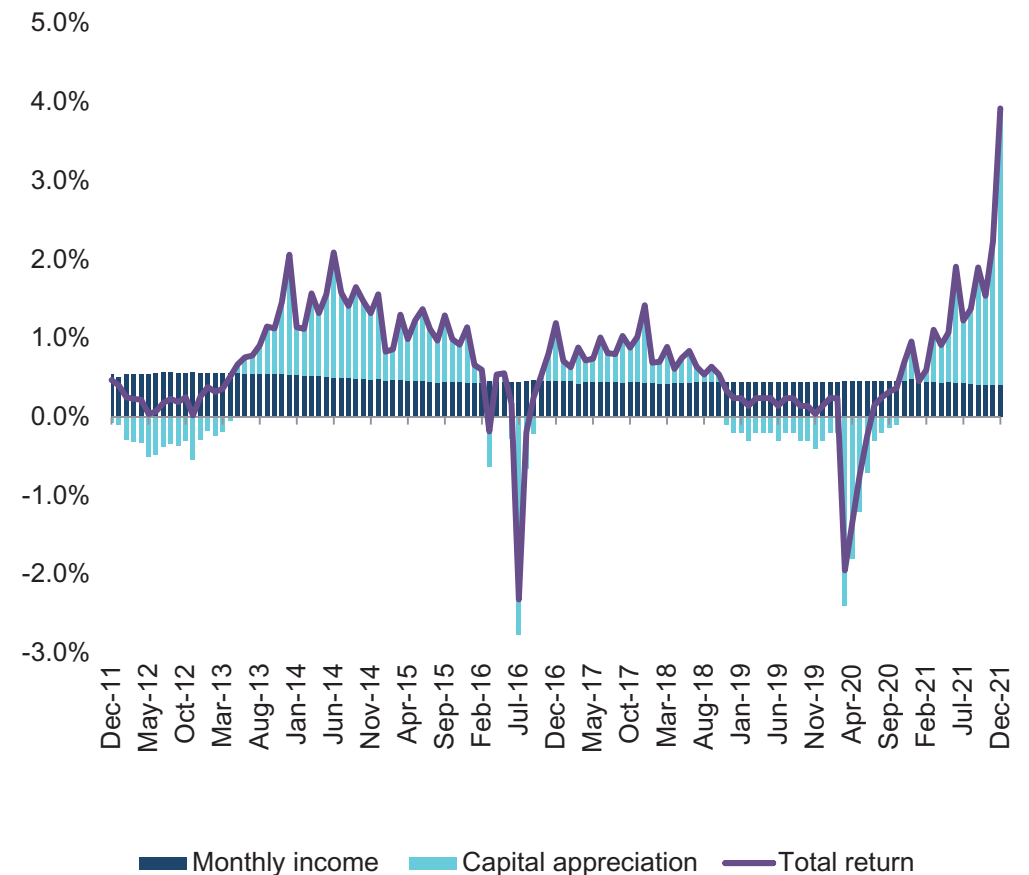
Total UK commercial property investment volumes reached £17.27bn for Q4 2021 representing a 28.6% increase on the 5 yearly quarterly average of £13.4bn; a salient indication of the sheer depth of liquidity and renewed investor confidence in the UK property markets.

Returns

Total returns for the UK property market continue to be positive, accelerated by a recovery in All Property capital values reflecting the increase in transactional volumes. As represented by the MSCI UK Monthly Property Index, the market generated total returns of 7.9% for Q4, comprising an income return of 1.2% and capital growth of 6.6%. Capital values increased by 3.5% in December alone, representing one of the highest monthly increases in values for all commercial property since the index inception. The growth is largely driven by the continued month on month performance in the industrial/logistics sector and the resurgence of retail warehousing, which has benefited from growing investor recognition given its resilience to e-commerce and relevance to future shopping habits.

The industrial sector recorded significant capital value growth of 12.4%, while retail capital value growth grew to 4.1% (driven by the retail warehousing sub-sector recording a 7.0% gain). The office sector saw capital growth at 1.6% led by stand-out performance in the West End sub-market (5.3%), as investors recognise the robust occupational fundamentals of Central London.

10-year UK Commercial property total returns (Monthly)



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q4 2021 report as at 31 December 2021.

Market Context

Market Commentary (continued)

Occupational trends

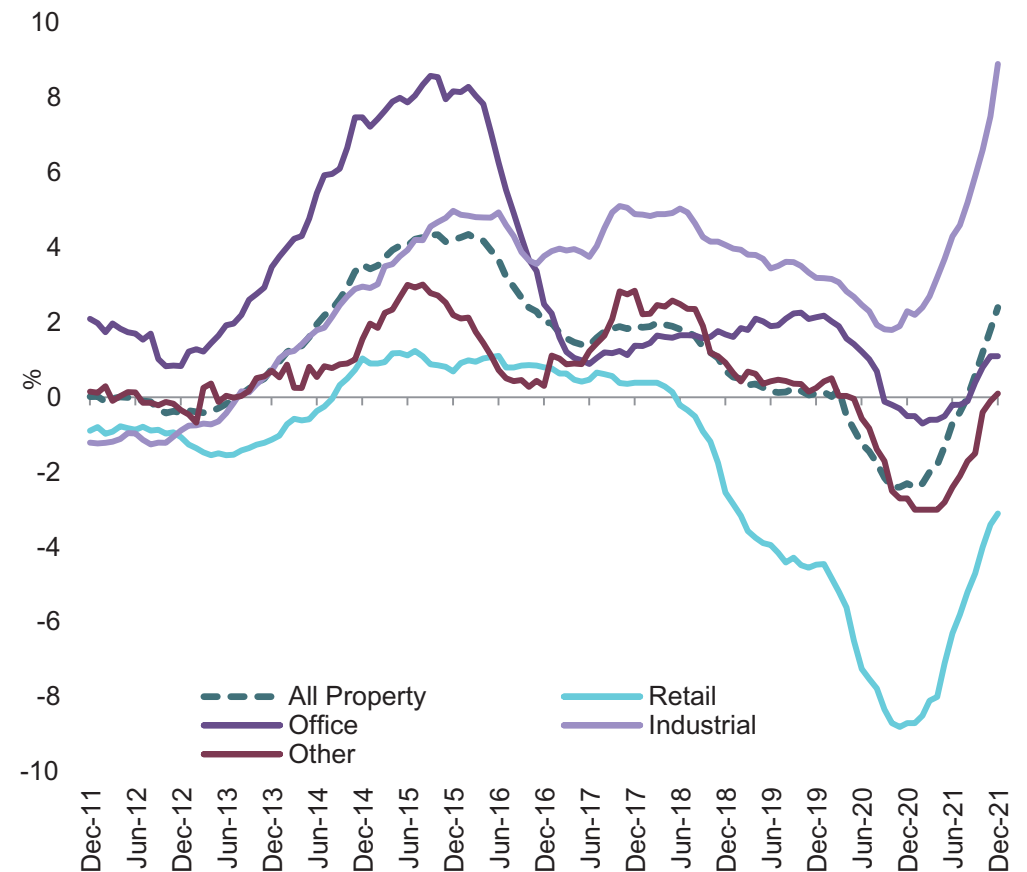
The occupier markets have been boosted by the relaxation of Covid-19 restrictions and increase in consumer and business confidence. The capital growth recorded in the industrial sector occurred in the context of continued strong occupier demand for logistics against a backdrop of severely constrained supply, leading to rental value growth of 4.0%. The retail sector saw rental declines of -0.5%, although rental growth returned to the retail warehousing sub sector at 0.1%. The office market saw continued growth at 0.6%, despite a return to “home-working” during the middle of December.

Outlook

The “All Property” Net Initial Yield at the end of December 2021 compressed by a further 30bps to 4.4% which saliently dips below the previous peak at 4.5% recorded in 2007, reflecting the robust capital gain evidenced above. With the Base Rate (0.25%) 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 expectations around a rise in interest rates place upward pressure on UK gilts (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.

The UK property investment market performed exceptionally well in 2021 and is well placed to capitalise on positive macro socio-economic trends. The consequence of record yield compression, may see assets becoming fully priced, in which case 2022 would see a greater focus on “value” as returns normalise to levels seen pre-pandemic.

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



Source: Columbia Threadneedle Investments, MSCI UK Monthly Property Index and LSH UKIT Q4 2021 report as at 31 December 2021.

Fund Overview – Q4 2021

Material Changes

- There are no material changes relating to arrangements for managing the liquidity of the fund.

Portfolio Activity

- The fund continues its successful programme of selling non-core assets, with a focus on the high-street retail sector and on selective offices that are compromised by uneconomic capex requirements, as we capitalise on active investor demand from private investors and developers seeking alternative-use opportunities. During the quarter, the fund sold a total of nine assets, generating total gross sales receipts of £17.0 million. Of these transactions, six were high-street assets, which generated an average premium of 20% to the prevailing independent valuations. The highlight of the quarter was the sale of AC Court, Thames Ditton, a multi-let office park with 30% vacancy and permitted development rights which we sold to an overseas developer for £10.2 million, representing a 7.3% premium to valuation. Total sales for 2021 totalled £101.3 million, of which 52% were retail assets, demonstrating the fund's strategic investment approach.
- The fund completed two industrial purchases totalling £14.2 million: Swift 34 in Rugby (£4.8 million with a yield of 4.9%) and Crucible Business Park, Worcester (£9.3 million with a yield of 5.2%). The former is a modern refurbished unit let for 10 years, located adjacent to the fund's existing holding of Unit C Swift Point, resulting in a marriage value uplift. Crucible Business Park is a highly reversionary estate strategically located a mile from the M5, offering proactive asset-management opportunities to grow the rental income and increase net returns.

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 government legislation, industry guidance and the cashflow position of its occupants. As a result of the work undertaken by its asset and property managers, rent collection for the quarter stands at 95.7% (as at 24 January 2022).

Liquidity

- The fund maintains a robust liquidity position, with cash of £82.8 million (equivalent to 5.5% of NAV). We continue to monitor liquidity closely to protect the fund against any residual market volatility, and to exploit buying opportunities as they arise.

Performance

- The fund delivered a total return of 7.3% for Q4, marginally underperforming (by -0.2%) its benchmark, largely as a result of significant capital appreciation across industrial, retail and West End office sectors; the fund is underweight in the latter (due to the 'trophy' nature of those assets which attract low yields inconsistent with the fund's investment approach). However, the fund outperformed its benchmark by 0.9% over the year, delivering an annual total return of 20%. This reflects the approach to defensively position the fund with high relative income yields, significant portfolio diversification, and the potential to add value through proactive asset management. The fund's total returns continue to be supported by a high relative distribution yield of 3.9%, being 30% above the benchmark level of 3.0% as at 31 December 2021.

Attribution

- During the 12 months ending 31 December 2021, the fund's directly held property assets generated relative total returns of +2.7% against the broader property market (as represented by the MSCI UK Monthly index). This was achieved through a positive relative income return of +1.0% and positive capital value growth of +1.7%. The fund's retail assets outperformed the wider market by +12.1%, delivering a total return of 28%, driven by retail warehouse capital appreciation of 24.7%. Offices, however, underperformed the market by 3.4%, producing a total return of 2.2%. The fund's industrial assets saw total returns from the sector outperform the market by 0.5%. Thanks to the recovery of the leisure sector, the fund's 'other' assets produced consecutive quarterly outperformance, recording a total return of 13.7% (+5.2% against benchmark). (Source: MSCI, TPUT directly held assets compared to the MSCI UK Monthly Property index – December 2021).

Outlook

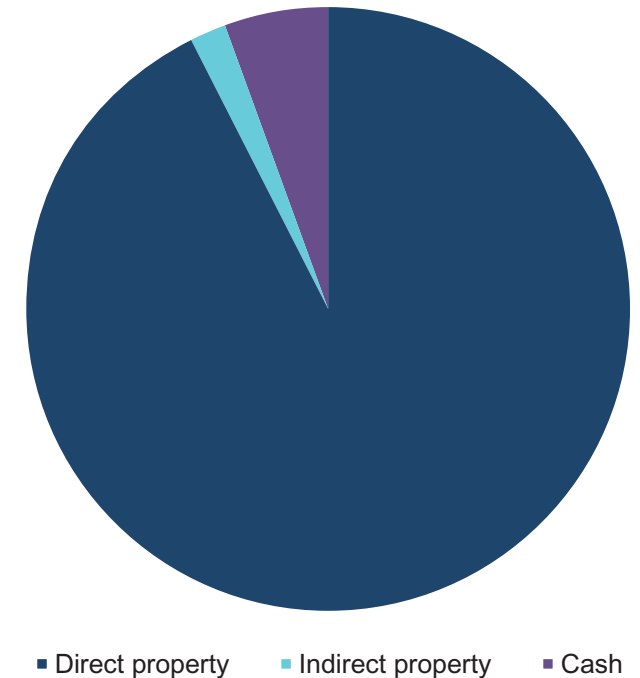
- As the UK real-estate sector continues to offer attractive relative performance attributes, we continue to believe the fund is well placed to capture further positive growth prospects through its enduring focus on actively managing property assets to generate a high and sustainable-income yield advantage from a diverse asset and tenant base. The fund's property assets currently offer a net initial yield of 5.0% compared with 4.2% offered by the MSCI UK Monthly index. The fund's overweight positions to regional industrials and retail warehouses should provide a solid foundation for performance prospects over the course of 2022 on a relative basis.

Portfolio Characteristics

Net Fund Value	£1,513 million
Asset exposure	Property, Cash, Indirect
Cash	5.5%
Indirect	1.8%
Number of properties excluding indirect	169
Average lot size	£8.3 million
Total gross passing rent	£74.4 million p.a.
Number of occupied tenancies	745
Key tenants	Top 10 tenants form 17.5% of total rent roll.
Portfolio turnover ratio	-10.26%

	TPUT	MSCI Monthly Index
Net Initial yield	5.0%	4.2%
Equivalent yield	6.1%	5.4%
Distribution yield*	3.9%	3.0%
Average term to break	4.7 years	6.5 years
Vacancy rate	6.9%	9.8%

Fund composition



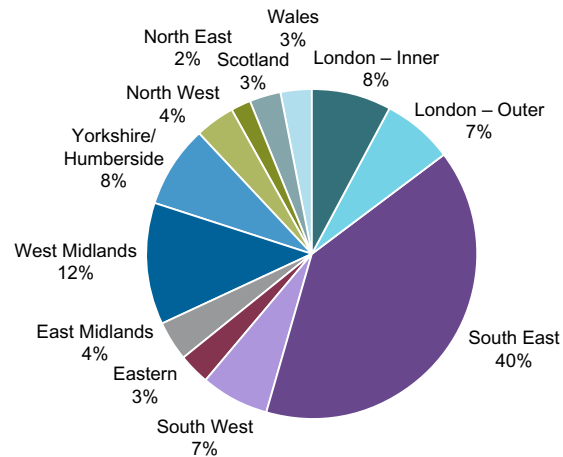
Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 December 2021.

*Source: Columbia Threadneedle Investments as at 31 December 2021 compared to MSCI/AREF UK All Balanced Property Funds Weighted Average.

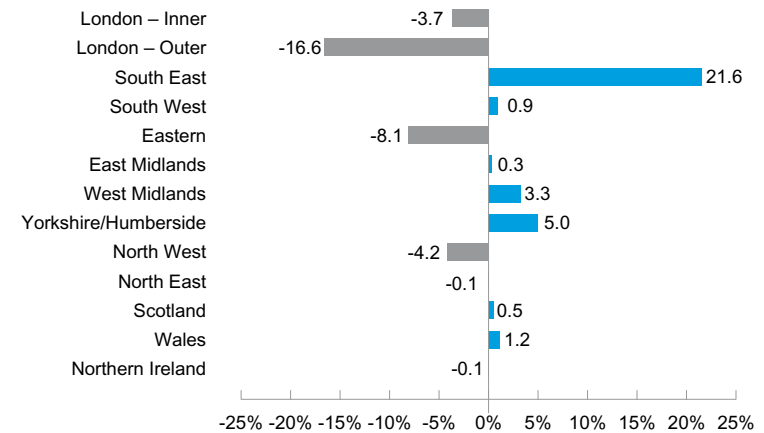
Distribution yield as at 31 December 2021

Portfolio Sector and Geographical Positioning

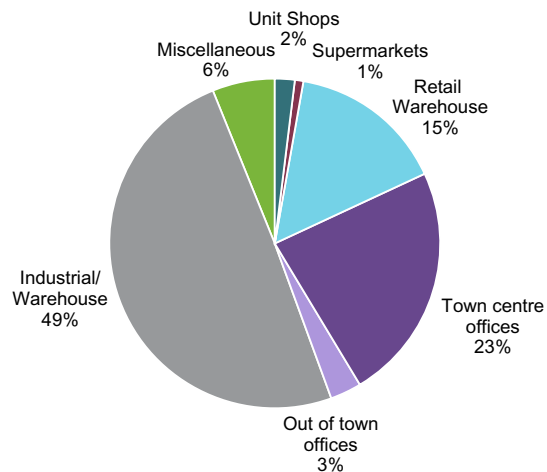
Portfolio weighting – geographical split



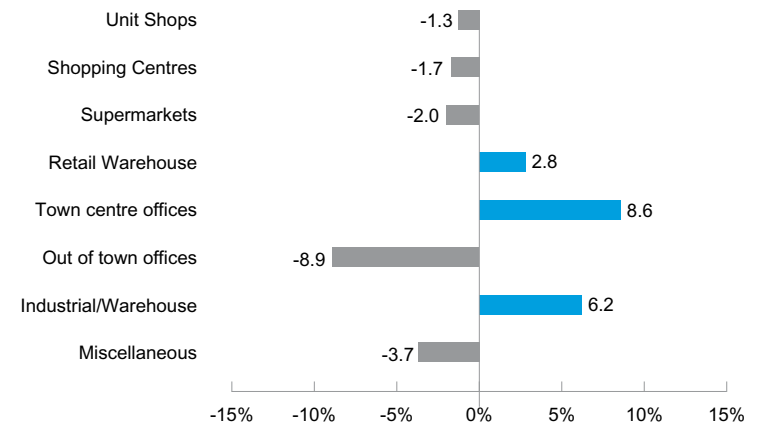
Relative portfolio weighting (%) versus MSCI Monthly Index



Portfolio weighting – sector distribution



Relative portfolio weighting (%) versus MSCI Monthly Index

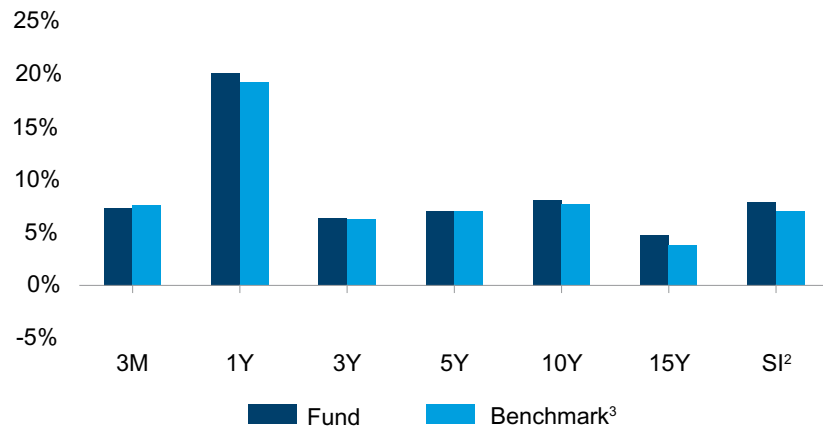


Source: Columbia Threadneedle Investments and MSCI UK Monthly Property Index as at 31 December 2021

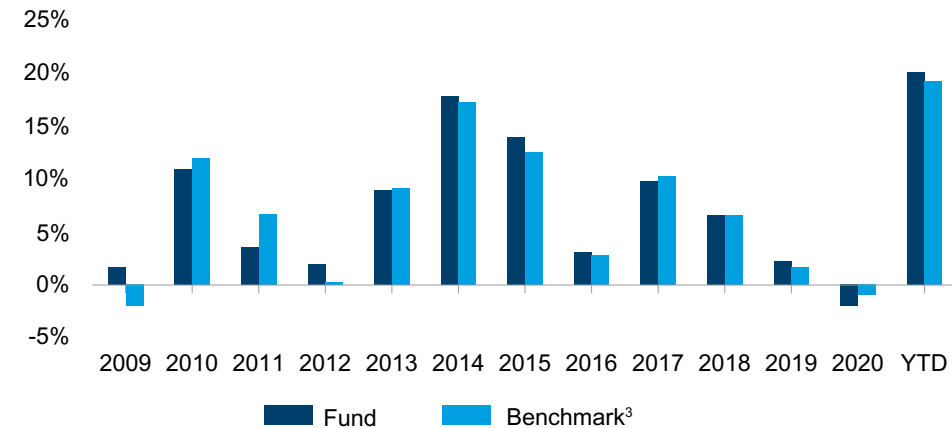
Performance

Long Term Performance

Discrete periods¹



Calendar Years



Fund Performance

Annualised Performance

	3M %	YTD %	1Y %	3Y %	5Y %	10Y %	15Y %	SI* %
Fund	7.3	20.0	20.0	6.3	7.0	8.0	4.7	7.9
Benchmark**	7.5	19.1	19.1	6.2	7.0	7.6	3.8	7.0
Relative (Arithmetic)	-0.2	0.8	0.8	0.1	0.0	0.4	0.9	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	50-100
Hayes	Springfield Rd Ind Est.	Industrial / Warehouse	25-50
London W1	46 Foley Street	Town Centre Offices	25-50
Trowbridge	Trowbridge & Spitfire Retail Park	Retail Warehouse	25-50
Hampton	Kempton Gate	Industrial / Warehouse	10-25
Rugby	Unit C Swift Point	Industrial / Warehouse	10-25
York	Foss Islands Retail Park	Retail Warehouse	10-25
High Wycombe	Stirling Road	Industrial / Warehouse	10-25
Wokingham	Ashville Park	Industrial / Warehouse	10-25
London SW1	Warwick House	Town Centre Offices	10-25

Tenant

	% of rents passing
EV Retail Limited	3.5
Tesco PLC	2.4
Travis Perkins PLC	2.0
Currys PLC	2.0
AMC UK Holding Limited	1.4
Neuheim Lux Group Holding V	1.4
Envy Post Production Limited	1.2
Missouri Topco Limited	1.2
Pets at Home Holdings Limited	1.2
Xpediator PLC	1.2

Source: Columbia Threadneedle Investments as at 31 December 2021

Investment Activity – Key Purchases and Sales Over Q4 2021

Property	Quarter	Sector	Price (£m)	Net Initial Yield
Purchases				
Unit D Swift Park, Rugby	Q4 2021	Industrial / Warehouse	2.5-5	4.9
Crucible Business Park, Worcester	Q4 2021	Industrial / Warehouse	5-10	5.2
Sales				
Unit 46, Heming Road, Redditch	Q4 2021	Industrial / Warehouse	0-2.5	6.0
32 Lands Lane and 13, 25 & 27 Thornton's Arcade, Leeds	Q4 2021	Unit Shop	0-2.5	12.2
20-25 Albert Street, Derby	Q4 2021	Unit Shop	0-2.5	12.4
18/20 Gloucester Road, Bristol	Q4 2021	Unit Shop	0-2.5	8.1
106-108 West Street, Boston	Q4 2021	Retail Warehouse	0-2.5	5.3
2 Zetland Road, Bristol	Q4 2021	Unit Shop	0-2.5	8.6
22/24 and 24a Gloucester Road	Q4 2021	Unit Shop	0-2.5	8.1
AC Court, Thames Ditton	Q4 2021	Town Centre Offices	10-25	5.9
19 New Row, Covent Garden, London	Q4 2021	Unit Shop	0-2.5	4.3

Source: Columbia Threadneedle Investments as at 31 December 2021
 Figures reflect headline prices and topped up rents where rental top ups provided by vendor.

UK Real Estate: Responsible Investment

Key principles



“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 and Refurbishment Guide

“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

Responsible Investment: business update

ENVIRONMENTAL



- UKRE Net Zero pathway published August 2021
- Fund Net Zero pathway published October 2021
- Physical Risk Screening Assessments Nov 2021
- 2022: Asset level Net Zero Carbon audits and Sustainability reports

SOCIAL



- Annual tenant engagement surveys
- On-going engagement with largest tenants to improve FRI data sharing
- Social Value Framework embedded within our Refurbishment Guide

GOVERNANCE



- Robust established governance structures
- ESG governance and oversight framework improved 2021
- Consistently highly scoring in GRESB
- ISAE report released January 2022

Responsible Investment: portfolio monitoring

TPUT portfolio highlights

Energy performance potential EPCs



- Portfolio coverage: 98.8%
- Average EPC rating: C
- 20 works projects completed (past 12 months)
- 86.3% of refurbishments delivered 'B rating' or better

Carbon and climate GHG emissions / physical risk



- GHG portfolio coverage: 60.2%**
- L-f-L Greenhouse Gas Emissions -27.8%*
- Flood risk portfolio coverage: 100%
- High / extreme risk: 6 assets / 3.2% value
- Physical Risk Screening Assessment undertaken November 2021

Energy consumption



- Portfolio coverage: 60.2%**
- L-f-L total energy consumption: -10.2%
- L-f-L electricity consumption: -33.0%
- L-f-L gas consumption: -18.0%

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

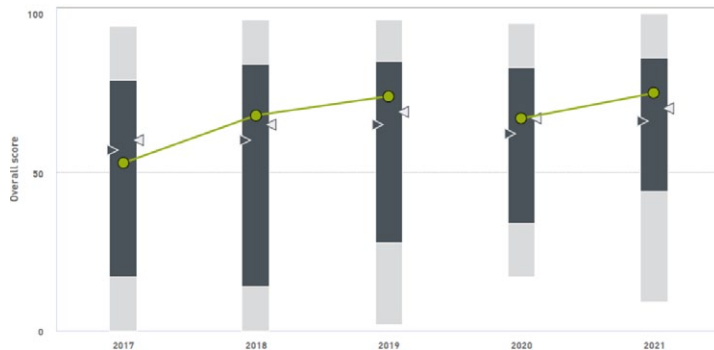
Source: Columbia Threadneedle Investments, all as at 31 December 2021 unless otherwise stated. Notes: Like-for-like data marked * denotes annual data reported to end of one quarter in arrears. Portfolio coverage marked ** denotes static 12-month coverage through the period ending 31 March 2021.

Responsible Investment: GRESB

TPUT 2021 GRESB results



G R E S B
★ ★ ★ ☆ ☆ 2021



Global Real Estate Sustainability Benchmark

Key takeaways

- Tenth year of the Fund's submission to GRESB
- Scored 75 out of 100 (Peer Average = 69)
- Ranked 25th within its peer group of 102 funds

Strengths

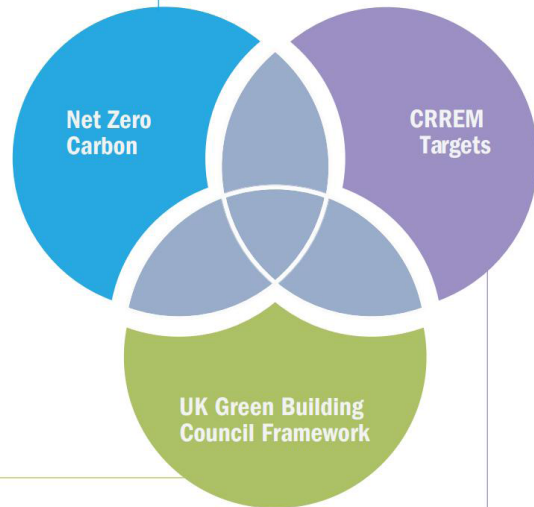
- Management scored 30/30
- Improvements recognised in reporting
- Data monitoring (especially energy and GHG) consistently score well

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

Net Zero: Our corporate commitment

Our commitment is to achieve net zero carbon across all of the commercial real estate assets managed for our clients by 2050 or sooner. This commitment covers whole building emissions including our occupiers. Each fund will set interim targets in order to measure and drive our progression towards the ultimate 2050 target.



To achieve net zero, we are committed to the principles defined by the UKGBC Framework, using the energy hierarchy framework to drive down the demand of our properties to energy intensity levels that are "Paris proof". We will increase renewable energy supply and only consider verified offsetting as the final step.

CRREM modelling determines our trajectory to reduce the operational carbon and energy intensity of our landlord-controlled emissions (Scope 1 and 2) by **60%** (according to UKGBC framework estimates of the total reductions required) against a 2019 base year.

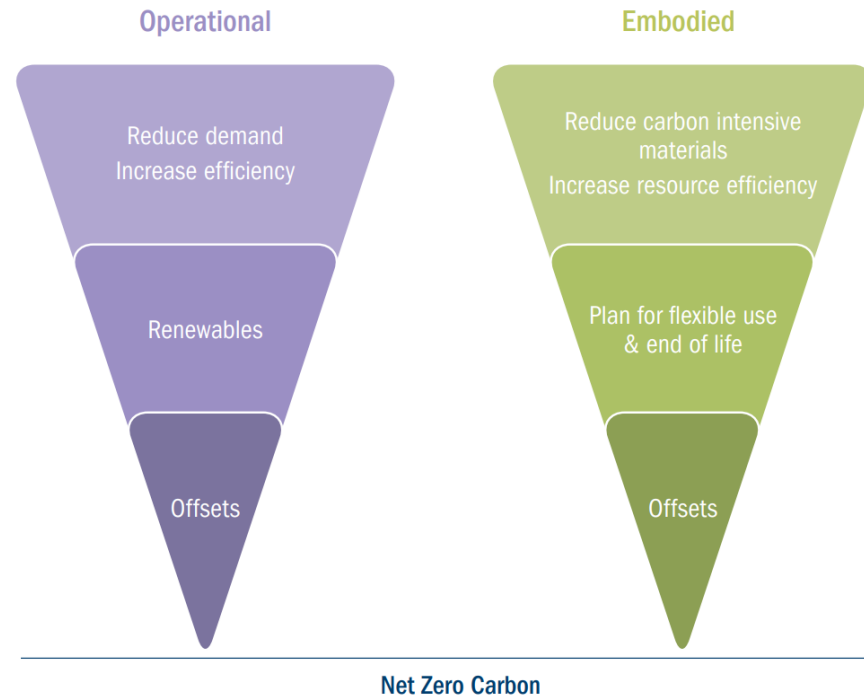
The UK Green Building Council defines net zero carbon (operational energy) as:

"When the amount of carbon emissions associated with the building's operational energy on an annual basis is zero or negative. A net zero carbon building is highly energy efficient and powered from on-site and/or off-site renewable energy sources, with any remaining carbon balance offset."

It defines net zero carbon (construction energy) as:

"When the amount of carbon emissions associated with the building's product and construction stages up to practical completion is zero or negative through the use of offsets or the net export of on-site renewable energy."

The hierarchy for action in order to achieve this position is widely agreed to be:



Net Zero: Fund pathway

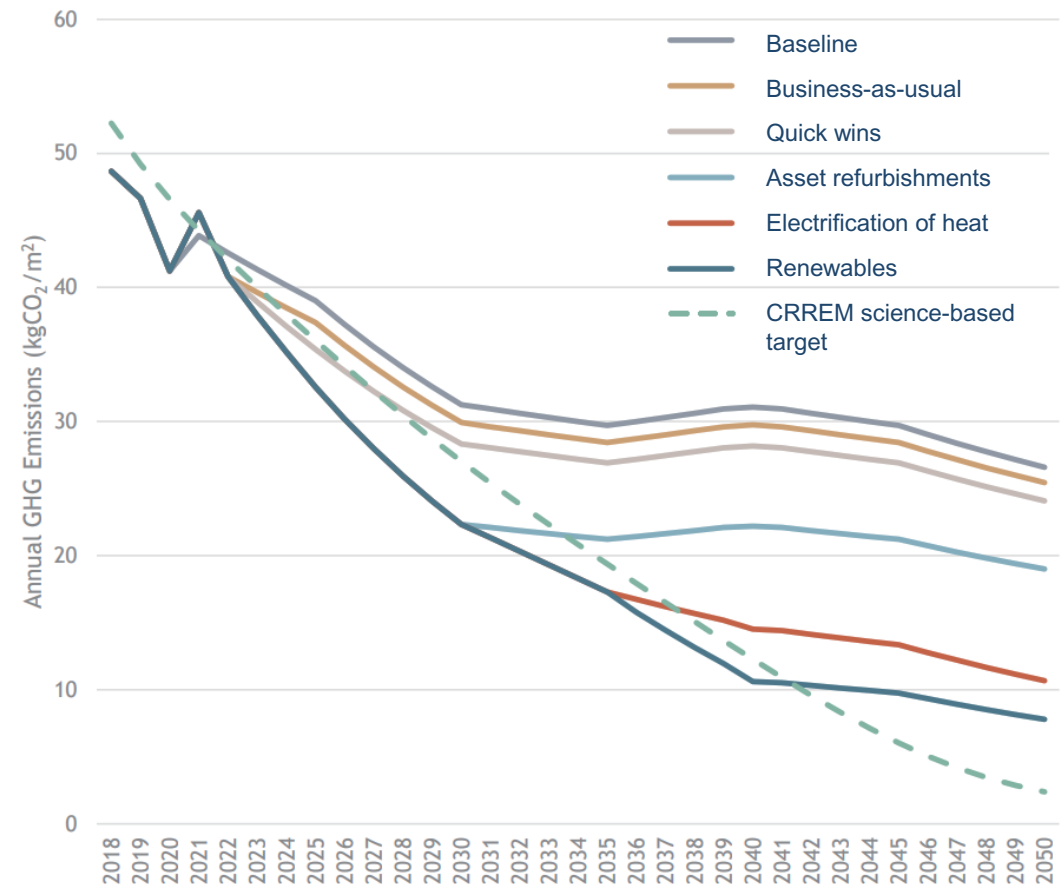
A road map to eliminate carbon from our investment portfolios

Actions to achieve Net Zero within the investment portfolio are already well underway:

Action	EVORA Modelled time	EVORA Modelled cost	Est. Energy consumption saving
Quick wins	2022-25	£3.2m	<10%
Major asset refurbishment	2022-32	£39.6m	c30%
Use of renewables	2030-40	£17.1m	c27%
Electrification of heat	2030-40	£59.3m	
Cumulative cost & saving impact		£119.2m / £6.6m p.a.	c67%
Offsetting	Est. 2042	£ TBC	Residual

- In 2017-2021 TPUT completed **128** capital projects investing an average **£8.7 million** per annum in building improvements
- Cap ex budgeted for 2022 is **c£14.6 million**
- Follow up: top 20 Asset-level Net Zero audits

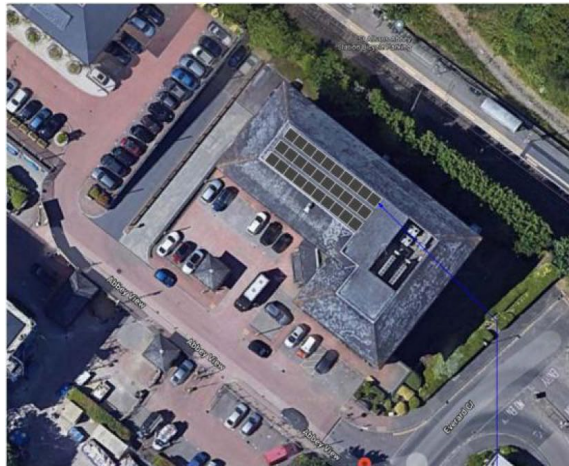
TPUT Annual Carbon Intensity



Source: EVORA Net Zero Target, TPUT Fund, October 2021

Responsible Investment: case studies

Building improvements



PV Panels
PV Panels to flat roof of building - security and environment TSC



Building 3 Abbey View, St. Albans

- 21,250 sq. ft. office constructed in 1990
- Comprehensive asset refurbishment project designed to optimise whole carbon intensity over whole design life:

Scenario	EPC (envisaged)	Whole Life Carbon (kg CO ² / m ² - envisaged)
Existing building	C / D (floor-by-floor)	762
Refurbishment – proposed	B47	751
Refurbishment – ‘A’ rating	A25	815

- On site Q1 2022 to implement a c£2.86m refurbishment to include new more thermally efficient roof, PV panels, EV charging points as well as an internal Grade A specification

Source: Columbia Threadneedle Investments



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
- Capex of £1.4 million (S/C recoverable) allocated to replace legacy boilers, upgrade and improve the BMC, and replace the roof
- New 359kWp photovoltaic (PV) system using high wattage panels have been installed on the roof
- Forecast to generate approx. 302,404 kWh, meeting approx. 10% of the electricity consumption at the site.

ESG Reporting: EPC Data

	Q4 2020 (December)	Q1 2021 (April)	Q2 2021 (July)	Q3 2021 (October)	Q4 2021 (January 2022)	Indicative Target
Property assets	199	190	184	173	168	–
Rateable units	861	849	841	804	775	–
EPC coverage (% rateable units)	88.6%	93.6%	96.8%	97.8%	98.8%	100%
EPC rated A (% rateable units)	0.2%	0.4%	0.4%	0.5%	0.6%	c25%
EPC rated B (% rateable units)	11.3%	15.3%	16.3%	16.9%	16.9%	c75%
EPC rated C (% rateable units)	34.7%	36.4%	37.1%	38.7%	39.5%	0% by end 2030
EPC rated D (% rateable units)	30.0%	30.0%	31.9%	30.3%	29.9%	0% by end 2027
EPC rated E (% rateable units)	10.0%	9.7%	10.0%	10.2%	11.0%	0% by end 2027
EPC rated F (% rateable units)	0.9%	1.1%	0.6%	0.5%	0.4%*	0% by end 2022
EPC rated G (% rateable units)	0.8%	0.9%	0.6%	0.6%	0.5%**	0% by end 2021

Source: Columbia Threadneedle Investments. TPUT direct property portfolio. All data as at 31 December 2021 unless otherwise stated.

Notes: As at 31 December 2021 * three properties have units rated EPC 'F'; two are located in Scotland which is subject to differing rating systems and regulations, and one is being refurbished to EPC 'A' specification (TBC) ** one property has units rated EPC 'G', this is located in Scotland and is subject to planned refurbishment in 2022

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 unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods.

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 unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods.

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	TBA
Total waste consumption – absolute		399.00 tonnes	788.72 tonnes	8,795.74 tonnes	1,586.35 tonnes	TBA

Source: Columbia Threadneedle Investments. TPUT direct property portfolio. All data as at 31 December unless otherwise stated. Targets to be advised following publication of Columbia Threadneedle Investments' UK Real Estate Net Zero Pathway. Please note whole portfolio coverage data mobilised annually and will show as static in intervening periods.

ESG Reporting: Flood Risk

Portfolio risk exposure by value	2019 (31 December)	2020 (31 December)	2021 (31 March)	2021 (30 June)	2021 (30 September)	2021 (31 December)	Target
Property assets	206	199	190	173	175	168	n/a
Low	164 (74.9%)	158 (75.1%)	152 74.8%	137 74.4%	138 (74.5%)	135 (74.5%)	TBA
Medium	33 (21.6%)	32 (21.3%)	30 21.7%	28 22.2%	29 (22.1%)	27 (22.3%)	TBA
High	5 (2.2%)	5 (2.1%)	5 2.0%	5 1.8%	5 (1.8%)	3 (1.7%)	TBA
Extreme	4 (1.4%)	4 (1.5%)	3 1.5%	3 1.6%	3 (1.6%)	3 (1.5%)	TBA

Extreme risk assets	High risk assets
Sheffield, The Square	Bristol, 786 Fishponds
Bristol, 11-13 Gloucester Road	Redhill, Red Central
London E10, Lea Bridge Road	Galashiels, Gala Water Park

Source: Columbia Threadneedle Investments. TPUT direct property portfolio. All data as at 31 December 2021 unless otherwise stated.

Notes: Two assets rated 'High Risk' sold in Q4 2021: Derby, 20-25 Albert Street and Bristol, 2 Zetland Road. Flood Risk Assessments commissioned on residual six High / Extreme risk assets.

Physical Risk Screening Analysis undertaken November 2021 to compliment the above flood risk statistics and is available on request.

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

The key areas of risk impacting this fund as at the end of December 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: 5.5%
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 MSCI UK Monthly Property Index	5 year monthly total return volatility as at end-December 2021: 8.47%
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: 3.52% 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: 3.8%
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: 6.13%
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: 6.9%
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 December 2021: 79.84% collected at day 21 ¹
Counterparty	Low – Minimal Counterparty Exposure	No Maximum restriction within scheme.	Deposits with single bank at end of quarter: 5.53% 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 has been significantly impacted by COVID-19 pandemic and is being closely monitored.

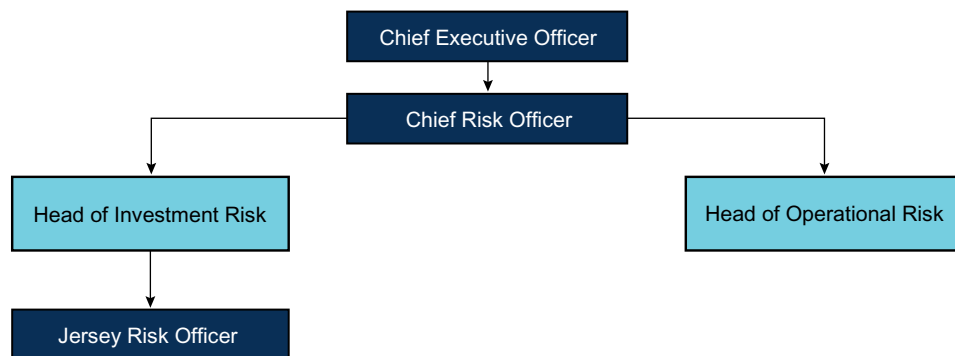
The Columbia Threadneedle Investments EMEA Property Risk Management System

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
December 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.

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