

Threadneedle Property Unit Trust

INVESTMENT POLICY AND OBJECTIVES

To invest in a diversified portfolio of property assets in the United Kingdom
To outperform the MSCI/AREF All Balanced Property Fund Index (Weighted Average)

INVESTOR CONSTITUENCY

Pension funds, charities, insurance companies and other corporate and institutional investors. Units may also be issued to wealthy individuals whom the manager considers have the appropriate experience to invest.

Fund details

Type of fund	Property Unit Trust
Residence	Jersey
Launch date	01-Jun-67
Open/closed-ended	Open-ended
Earliest date of winding up	n/a
Year-end	31-Dec
NAV (GBPm)	860.4

Source : Threadneedle Investments (Channel Islands) Limited

Management/professional advisors

Manager	Threadneedle Investments (Channel Islands) Limited
Investment Advisor	Threadneedle Portfolio Services Limited
Property advisor	Threadneedle Property Investments Limited
Property Fund Manager	Christopher Morrogh MA ARICS
Trustee	BNP Paribas Depository Services (Jersey) Limited and BNP Paribas Depository Services Limited

Auditors	PricewaterhouseCoopers CI LLP
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Source : Threadneedle Investments (Channel Islands) Limited

Fund level total return, %

	Threadneedle Property Unit Trust	MSCI/AREF UK Quarterly Property Fund Index		
		Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	2.4	1.2	1.1	1.4
Year-to-date	2.9	1.7	1.7	1.7
12 months	1.4	-0.4	0.1	0.0
3 years+	1.2	0.4	0.6	0.0
5 years+	1.9	1.4	1.5	0.6
10 years+	5.2	5.1	4.8	4.0

Source : MSCI/AREF UK Quarterly Property Fund Index

Fund Restraints

Property investment restrictions

Maximum development exposure	10%
Maximum speculative development exposure	n/a
Maximum lot-size holding as a standing investment	n/a
Maximum lot-size holding permitted at purchase	n/a
Maximum exposure to limited partnerships	n/a
Maximum exposure to joint ventures	n/a
Maximum exposure to closed and open-ended property unit trusts	n/a

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	20%
for investment purposes	n/a
for liquidity purposes	n/a
Cash holdings (maximum)	8%
Cash holdings (minimum)	n/a

Source : Threadneedle Investments (Channel Islands) Limited

Portfolio distribution %

MSCI/AREF UK Quarterly Property Fund Index**

	Threadneedle Property Unit Trust	Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	0.0	4.2	3.7	3.4
Standard retail – Rest of UK	0.0	1.1	1.1	1.2
Supermarkets	0.0	0.7	1.1	1.7
Shopping centres	0.0	0.6	0.9	0.6
Retail warehouses	24.2	12.3	12.0	7.4
All UK retail	24.2	19.0	18.8	14.4
City offices	1.4	3.0	3.1	2.6
West End offices	5.2	7.5	6.6	4.8
Rest of South East offices	7.2	6.3	6.3	5.2
Rest of UK offices	3.6	4.6	4.0	4.4
All UK offices	17.3	21.4	20.0	17.0
South East industrial	21.7	19.2	20.1	18.0
Rest of UK industrial	11.8	7.7	7.2	6.5
South East Distribution Warehouse	1.9	5.1	5.4	4.1
Rest of UK Distribution Warehouse	5.1	6.4	6.3	5.3
All UK industrial	40.5	38.3	39.1	33.8
Residential excl Student Accomodation	0.0	0.5	1.3	2.4
Student Accomodation	3.3	2.8	3.3	10.7
Hotel	0.0	3.7	3.2	6.1
Leisure	4.4	1.8	2.2	4.1
Healthcare	0.0	1.8	1.3	1.4
Other UK properties	2.1	3.8	3.2	4.1
Cash***	8.2	6.8	7.7	6.0
Overall	100.0	100.0	100.0	100.0

Source : Threadneedle Investments (Channel Islands) Limited

** MSCI/AREF UK Quarterly Property Fund Index

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	93	788.3	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0	0.0
Total	93	788.3	100.0

Source : Threadneedle Investments (Channel Islands) Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
Croydon, 19 Commerce Way	Croydon	Industrial / Warehouse	25-50	5.2
Spitfire Retail Park	Trowbridge	Retail Warehouse	25-50	3.5
London W1, 46 Foley Street	London	Town Centre Offices	10-25	3.0
Hampton, Kempton Gate	Hampton	Industrial / Warehouse	10-25	2.4
York, Foss Islands Retail Park	York	Retail Warehouse	10-25	2.3
Cardiff, Newport Road	Cardiff	Retail Warehouse	10-25	2.3
High Wycombe, Stirling Road	High Wycombe	Industrial / Warehouse	10-25	2.2
Selby, Three Lakes Retail Park	Selby	Retail Warehouse	10-25	2.1
Coventry, Skydome	Coventry	Miscellaneous	10-25	2.1
Rugby, Swift Point	Rugby	Industrial / Warehouse	10-25	2.1
10 largest investments as % of portfolio				27.1

Source : Threadneedle Investments (Channel Islands) Limited

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0-2.5	7	9.0	1.1
2.5 - 5	19	79.3	10.1
5-10	40	285.5	36.2
10-25	25	346.3	43.9
25 - 50	2	68.2	8.7
50 - 100	0	0.0	0.0
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	93	788.3	100.0
Average lot size		8.5	

Source : Threadneedle Investments (Channel Islands) Limited

Property Yield	
Net initial yield	6.70%
Nominal equivalent yield	-
True equivalent yield	8.10%
Net reversionary yield	7.50%

Source : Threadneedle Investments (Channel Islands) Limited

Voids as % of ERV	
Investments	10.30%
Developments	0.00%
Total	10.30%

Rental income & ERV by type of property		
	Rental income %	Estimated rental value %
Standard retail	0.0	0.0
Retail warehousing	30.3	25.3
Shopping centres	0.0	0.0
Central London offices	19.0	6.5
Other offices	0.7	18.5
Industrial	37.3	38.6
Other	12.6	11.1
Overall	100.0	100.0

Source : Threadneedle Investments (Channel Islands) Limited

Over Renting and Reversionary Potential, % Rent Passing								
Sector	Rent Passing, GBP Millions	Rent Free, % Rent Passing	Development vacancy, % Rent Passing	Investment vacancy, % Rent Passing	Over rented, % Rent Passing	Reversionary potential, % Rent Passing	Reversionary potential Net of Over renting, % Rent Passing	Market Value, % Rent Passing
Standard retail	0.0	-	-	0.0	0.0	-	-	-
Retail warehousing	15.6	-	-	0.6	-2.5	-	-	106.0
Shopping centres	0.0	-	-	0.0	0.0	-	-	-
Central London offices	9.8	-	-	1.3	-0.4	-	-	43.6
Other offices	0.4	-	-	7.0	-0.2	-	-	3270.0
Industrial	19.2	-	-	2.7	-0.4	-	-	131.4
Other	6.5	-	-	1.4	-1.7	-	-	111.3
Overall	51.5	-	-	-	-	-	-	127.0

*Comprising the ERV of developments in progress or contracted which have not been pre-let

Source : Threadneedle Investments (Channel Islands) Limited

Listed Investments			
	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

The unexpired term of leases % of rent passing		
Years	Including breaks	Excluding breaks
20 years or greater	0.4	0.4
15 years or greater, but less than 20	0.4	3.5
10 years or greater, but less than 15	7.2	9.4
5 years or greater, but less than 10	19.3	31.4
Less than 5 years	72.7	55.4

Source : Threadneedle Investments (Channel Islands) Limited

Joint and Indirect property holdings						
Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation (GBPm)	Est. % of total portfolio
Carbon Neutral RE Trust	Other	Indirect RE - Other	OE-PUT	14.4	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Source : Threadneedle Investments (Channel Islands) Limited

Debt analysis	
Fixed rate borrowings	Variable rate borrowings

Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above Risk Free Rates (incl expenses) (%)	Off balance sheet debt (GBPm)+
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Source : Threadneedle Investments (Channel Islands) Limited

Development exposure*

	Capital value of developments			Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	0	0	0	0
% of all directly held properties*	0.00%	0.00%	0.00%	0.00%

* Includes joint ventures in which the Fund has an interest of 50% or more

Source : Threadneedle Investments (Channel Islands) Limited

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly, as at the last business day in the month
Valuers	CBRE Limited
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Yes
Member of the Association of Real Estate Funds	Full member

Source : Threadneedle Investments (Channel Islands) Limited

The contribution of major tenants to rental income

Tenant	%
B&M EUROPEAN VALUE RETAIL S.A.	4.2
TESCO PLC	3.0
CURRYS PLC	2.9
WICKES GROUP PLC	2.7
NORTON GROUP HOLDINGS LIMITED	2.3
TEMPUR SEALY INTERNATIONAL INC.	2.1
AMC ENTERTAINMENT HOLDINGS INC.	2.1
PETS AT HOME HOLDINGS LIMITED	1.9
OWENS (ROAD SERVICES) LIMITED	1.8
ENVY POST PRODUCTION LIMITED	1.7
Three largest tenants' contribution to rental income	10.0
Five largest tenants' contribution to rental income	15.0
Ten largest tenants' contribution to rental income	24.6

Source : Threadneedle Investments (Channel Islands) Limited

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	788.3	0.0	0.0	0.0	788.3
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	69.9	0.0	0.3	0.0	70.1
Other net assets/liabilities	2.0	0.0	-0.1	0.0	2.0
Total net assets	860.2	0.0	0.2	0.0	860.4
Gearing (%)					
Net debt (cash)/properties	-8.9	-	-	-	-8.9
Net debt (cash)/equity	-8.1	-	-144.1	-	-8.1

Source : Threadneedle Investments (Channel Islands) Limited

Quarterly data per unit

As at	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Bid (GBP)	263.30	263.81	260.11	252.74	250.60	254.16
Offer (GBP)	282.43	282.50	278.47	270.81	268.77	272.49
Mid (GBP)	272.87	273.16	269.29	261.77	259.69	263.33
Bid/offer spread	6.77%	6.62%	6.59%	6.67%	6.76%	6.73%
Net asset value (GBP)	266.56	266.98	263.23	255.79	253.67	257.26
Quarterly distribution (GBP)	3.46	3.68	3.51	3.80	3.33	2.45

Yield	4.83%	5.17%	5.32%	5.65%	5.65%	5.09%
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Source : Threadneedle Investments (Channel Islands) Limited

Unit pricing

The unit price is calculated on the pricing day, following the monthly valuation of the portfolio. Net income is not included in the calculation. Redemptions are priced on a 'Bid Price basis'. The bid price quoted is based on the static bid/offer spread.

Distributions

Distributions of income are made quarterly as soon as is practical following the last days of March, June, September and December.

Minimum investment/disinvestment

The minimum initial subscription for units is GBP250,000. However, the manager may accept lesser amounts (with a minimum of GBP25,000) where the manager is satisfied that the investor has received financial advice, or the investment is made on the investor's behalf by a discretionary investment manager. The minimum amounts required for any subsequent investment is determined by the manager and is currently GBP10,000. Subscriptions may be accepted or rejected by the manager in its discretion.

Creation, transfer and realisation of units

The Realisation Price is determined (under normal circumstances) on the fifth Pricing Day following receipt of notice, with settlement as soon as practicable following the realisation price being fixed. The Manager has the power to defer settlement of redemptions to protect continuing Unitholders, in which circumstances the Realisation Price will be determined on the first Pricing Day at which the Manager deems it appropriate to settle such redemption. (See "Redemption notices outstanding", overleaf.)

Taxation

Capital gains tax: since it is registered in Jersey, the trust is not subject to UK capital gains tax. Those investors who are subject to tax may be liable to capital gains tax on the redemption or sale of their units in the trust.

Income tax: distributions to UK resident unitholders are paid gross of tax. Distributions to non-UK resident unitholders are paid net of tax.

Stamp duty reserve tax: the trust's registration in Jersey means that the surrender and issue of units does not attract SDRT.

Charges

Management fees

For unitholders categorised as charities, UK pension funds or other tax exempt holders, the fee is 0.68% pa of gross assets up to GBP200m. For gross assets above GBP200m, the charge (in respect of the increment) reduces to 0.60% pa. For unitholders in all other categories of investor, the charge is 0.75% pa of gross assets.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	62	13.6
1% or greater but less than 2%	11	16.1
2% or greater but less than 4%	14	39.5
4% or greater but less than 8%	1	4.3
Greater than 8.0%	2	26.5
Total	90	100.0
Major investors		
Largest holder	1	15.0
Three largest holders	3	30.8
Five largest holders	5	38.6
Ten largest holders	10	53.7
Internal/external investors		
Internal	1	2.5
External	89	97.5

Source : Threadneedle Investments (Channel Islands) Limited

Liquidity						
Period	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023	Year to Dec 2024
Issues and redemptions						
Units in issue as at start of period	5,363,287	5,316,705	5,250,474	4,837,997	4,883,512	3,992,811
Units issued during period	85,981	56,658	262,853	56,053	71,374	34,958
Units redeemed during period	-132,562	-122,889	-675,330	-10,538	-962,075	-447,488
Units in issue at end of period	5,316,705	5,250,474	4,837,997	4,883,512	3,992,811	3,580,281
Unit transfers						
Matched bargains	0	0	0	0	0	0
Matched bargains %*	0	0	0	0.00%	0	0.00%

* as % of units in issue at the end of the period

