

**TPEN United Kingdom**

**Contact Details**

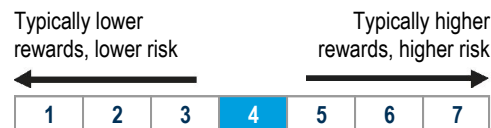
Helpline: 0207 4645668  
 Helpline calls may be recorded

Fund Manager: Robin Jones  
 Since: Oct-20  
 Management Co: Threadneedle Pensions Ltd  
 Fund Inception Date: 31/03/95  
 Index: -  
 Fund Currency: GBP  
 Fund Domicile: United Kingdom  
 Portfolio Size: £1,613.6m  
 No. of Securities: 180

All information expressed in GBP

**Risk and Reward Profile**

The Risk and Reward Indicator table demonstrates where the Fund ranks in terms of its potential risk and reward. The higher the rank the greater the potential reward but the greater the risk of losing money. It is based on past data, may change over time, and may not be a reliable indication of the future risk profile of the Fund. The shaded area in the table shows the Fund's ranking on the Risk and Reward Indicator. The lowest category does not mean a risk-free investment.



**Fund Charges**

Please refer to your company pension scheme booklet

**Fund Changes**

Please refer to your company pension scheme booklet

**Commentary and Outlook**

The final quarter of 2022 saw an acceleration in capital declines, with capital growth as represented by the MSCI UK Monthly Property Index decreasing by -15.6% across all sectors. Total returns were -14.5% for Q4, though the decline was partially offset by an income return of +1.3%. The speed of direct property capital value declines is unprecedented in recent times, but is a natural reaction to the changing opportunity cost of capital which was reflected across asset classes through 2022. In Q4 2022, the Threadneedle Pensions Limited Pooled Property Fund (TPEN PF) generated a total return of -13.5%, outperforming the MSCI/AREF UK 'All Balanced Open-Ended' Property Fund index (the benchmark) weighted average total return of -14.1%.

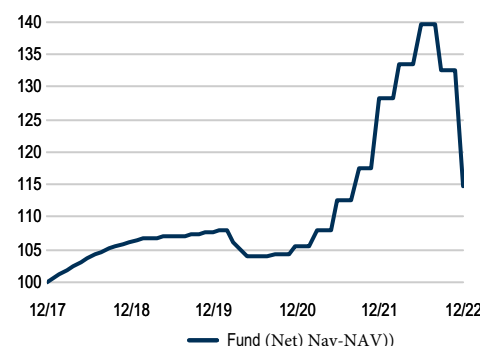
Given the challenging macroeconomic backdrop, further capital value declines are anticipated in the UK commercial property market. The UK government's 'mini-budget' created a sharp increase in UK gilt yields, which decreased pension fund liabilities and reduced the need for growth assets such as property. Pension funds are therefore redeeming and selling property, but asset sales are being launched into a market that is liquidity-constrained as a result of increasing debt costs and the absence of low-cost investment capital seeking to acquire assets. The UK faces increasing inflationary pressures and interest rates to combat inflation. These factors, along with a cost-of-living crisis, are likely to result in a recessionary environment that may result in a weakening of occupational demand, increased occupier delinquency and declining rental values. This dynamic is yet to fully materialise in the property market, but is a likely scenario which may depress capital values further.

We believe that TPEN PF is well placed to capture a positive total return over the long run through its enduring focus on actively managing property assets to generate a high and sustainable income yield advantage from a diverse asset and occupier base. TPEN PF's property assets currently offer a net initial yield of 5.7% against 5.0% recorded by the MSCI UK Monthly Property index (frozen) as at the end of December 2022. TPEN PF's overweight positions in industrials and retail warehouses should continue to provide a solid foundation for performance over the course of 2023.

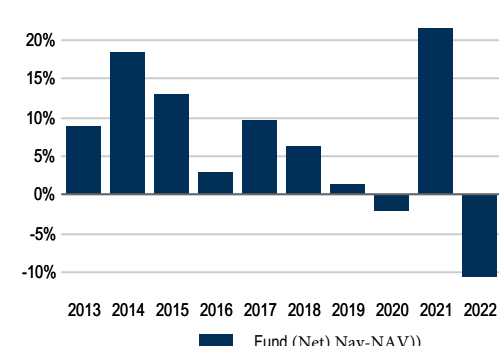
**Fund Objective & Policy**

To invest primarily in direct UK commercial property. It aims to generate total returns (from income and capital appreciation) that are above its benchmark, over rolling 3 year periods.

**5 Years NAV (GBP)\***



**Calendar Years (GBP)\***



**Annualised Performance (GBP)\***

	3M	1YR	3YR	5YR	10YR	12M Rolling Period (GBP)*				
						01/18 - 12/18	01/19 - 12/19	01/20 - 12/20	01/21 - 12/21	01/22 - 12/22
Fund (Net) Nav-NAV))	-13.5	-10.7	2.1	2.8	6.5	6.2	1.4	-1.9	21.5	-10.7
AREF/MSCI All Bal Prop Fds WA	-14.1	-9.5	2.2	2.9	6.5	6.5	1.6	-1.0	19.1	-9.5

**Calendar Year Performance (GBP)\***

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fund (Net) Nav-NAV))	-10.7	21.5	-1.9	1.4	6.2	9.7	2.9	13.0	18.4	8.8
AREF/MSCI All Bal Prop Fds WA	-9.5	19.1	-1.0	1.6	6.5	10.2	2.8	12.5	17.2	9.1

\*Past performance is not a guide to the future. The value of investments and any income from them can fall as well as rise. The performance returns shown on this factsheet are Net of annual management charges on a NAV-to-NAV basis. The effect of charges will reduce the performance figures accordingly. Please see your scheme booklet for full details on all charges that may apply. Performance source: Columbia Threadneedle Investments. Three, five and ten year returns are annualised.

**Risk Warnings**

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

**No Capital Guarantee:** Positive returns are not guaranteed and no form of capital protection applies.

**Property Valuation Risk:** The value of a property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold.

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

**Property Liquidity Risk:** It may be difficult or impossible to realise an investment in the fund because the underlying property concerned may not be readily saleable.

**Property Liquidity Management:** Due to the illiquid nature of property and the time it can take to buy or sell assets, under normal circumstances up to 15% of the Company may be held in cash deposits. High levels of cash may also be held by the Company in anticipation of unusually large redemption requests, or if property investment opportunities are limited. Holding high levels of cash has an impact on the performance of the Fund and its distributable income until it is invested in property assets. If a significant number of investors withdraw their investment at the same time, the fund manager of the Company may consider it necessary to dispose of property investments to generate additional cash. In difficult market conditions, it can take longer to sell properties, and some properties may be sold for less than expected. The right to redeem units in the Fund will be suspended if there is insufficient cash available to satisfy sale requests, or could become necessary to balance the interests of continuing investors with those seeking to redeem.

Past performance is not a guide to future performance.

Source: FactSet

## Weightings (%)

Region	Fund	Sector	Fund
South East	25.7	Industrial / Warehouse	46.4
North West	13.4	Town Centre Offices	19.2
London - Inner	12.6	Retail Warehouse	14.2
London - Outer	11.3	Miscellaneous	7.5
Yorkshire & Humberside	8.3	Out of Town Offices	5.9
Eastern	5.8	Unit Shops	4.3
South West	5.7	Supermarkets	2.0
West Midlands	4.4	Shopping Centres	0.5
East Midlands	3.6		
Wales	3.4		
Scotland	3.2		
North East	2.1		
Northern Ireland	0.5		

## Top 10 Holdings (%)

Security Name	Weight
Deeside, Deeside Industrial Park	4.7
Chelmsford, Boreham Airfield	3.8
Watford, Penfold Works	2.6
Sittingbourne, Spade Lane DC	2.4
South Ockendon, Arisdale Ave	2.2
Cambridge, Compass Hse, Vision	2.2
London EC1, 29-35 Farringdon Rd	2.1
London EC1, 28-42 Banner Street	1.9
Bristol, G Park, Next DC	1.7
Woodford, Woodford Ind. Est.	1.6
<b>Total</b>	<b>25.1</b>

## Portfolio Characteristics

	Fund	Index
Net initial yield on property %	5.7	5.0
Vacancy Rate %	9.5	+2%
Number of Tenancies	1,291	n/a
Average term of lease to renewal - years	4.6	6.6
Cash %	5.4	n/a

## Important Information

Past performance is not a guide to future performance. The value of investments and any income is not guaranteed and can go down as well as up and may be affected by exchange rate fluctuations. This means that an investor may not get back the amount invested. Performance is on an offer-to-offer basis, gross of annual management charges, using global close prices. Portfolio positions are based on gross asset valuations at global close. Weighting and currency exposure data, where applicable, are on a look-through basis to underlying assets where Columbia Threadneedle CIS instruments are held.

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 and should not be seen as investment advice. Information obtained from external sources is believed to be reliable but its accuracy or completeness cannot be guaranteed. Columbia Threadneedle Investments does not give investment advice. References to individual securities, strategies or funds should not be read as a recommendation to buy, sell or hold them. The specialist and strategy pooled funds referred to in this document are not available for direct investment by the public.

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The Columbia Threadneedle Pooled Pension Funds Key Features Document (KFD) is available on the institutional site of [www.columbiathreadneedle.co.uk](http://www.columbiathreadneedle.co.uk). The KFD gives a summary of information about Columbia Threadneedle's pooled pensions in order to help you decide if you want to invest in funds, as well as a full list of risk factors applying to the funds. Please refer to the Risk section of the Key Features document for all risks applicable to investing in any fund and specifically this Fund.

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