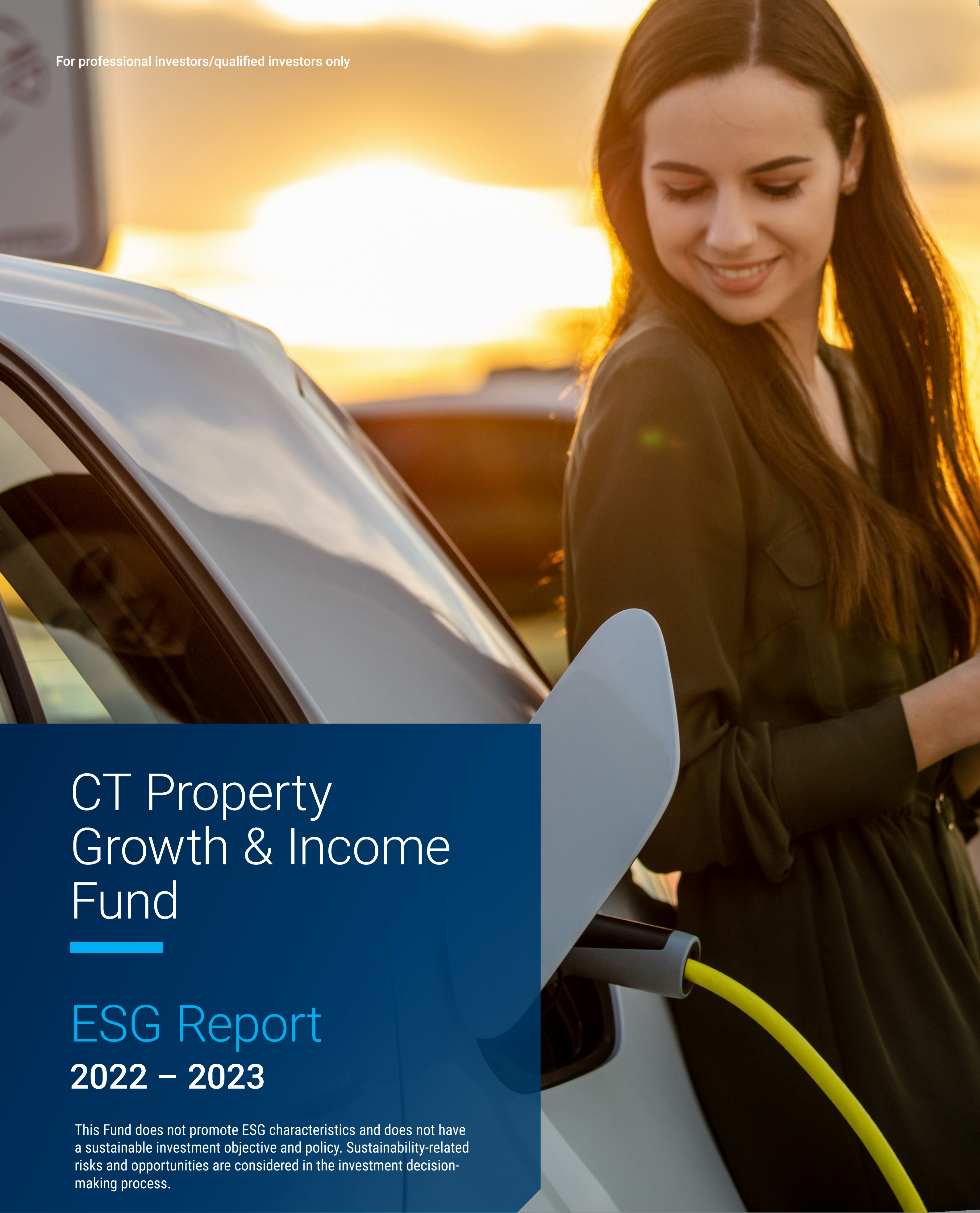

For professional investors/qualified investors only

CT Property Growth & Income Fund

ESG Report

2022 – 2023

This Fund does not promote ESG characteristics and does not have a sustainable investment objective and policy. Sustainability-related risks and opportunities are considered in the investment decision-making process.

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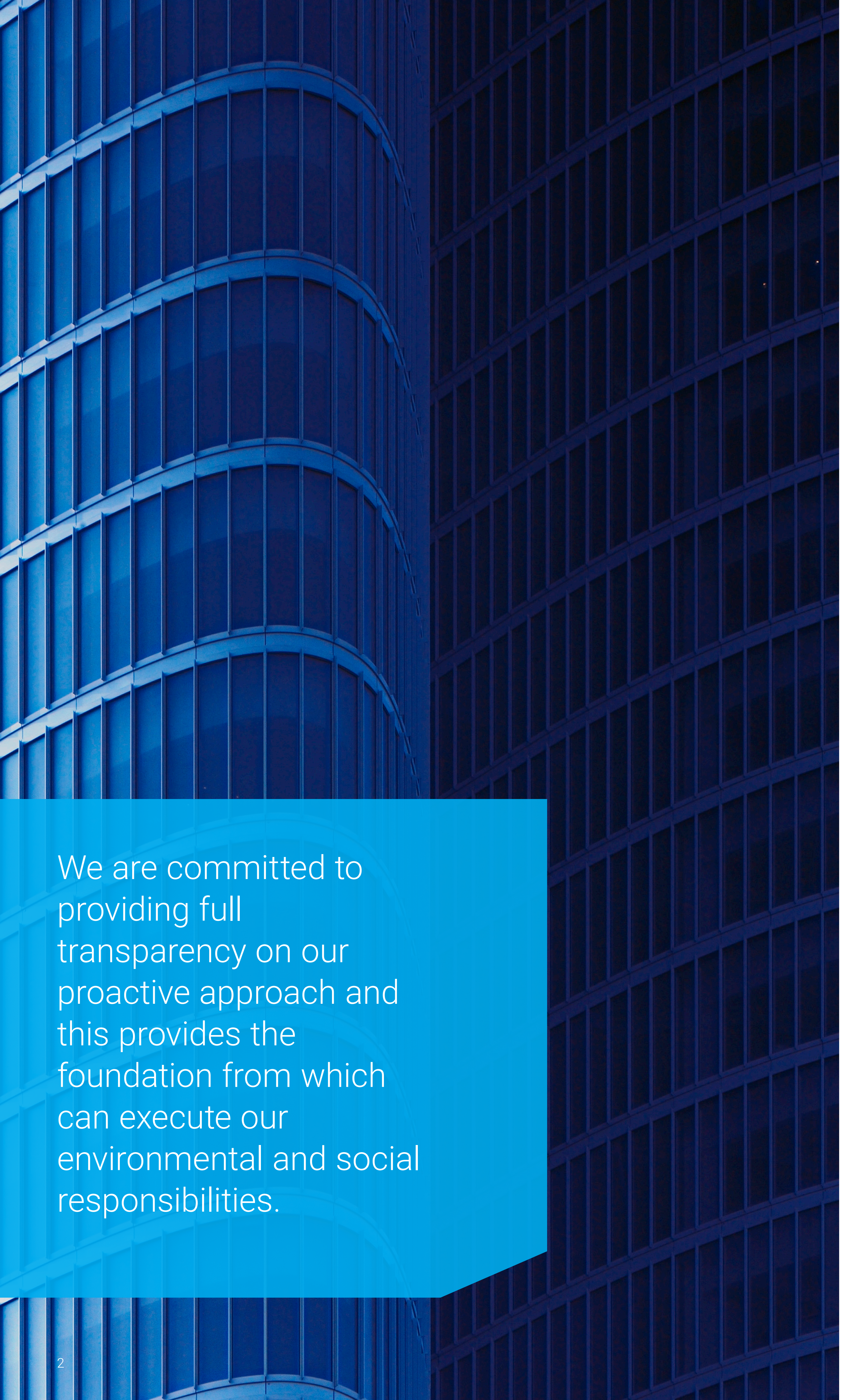


We are committed to providing full transparency on our proactive approach and this provides the foundation from which can execute our environmental and social responsibilities.

ESG Report
2022 – 2023

Welcome to this year's Environmental, Social and Governance (ESG) Report for the physical portfolio of the CT Property Growth & Income Fund.

In this report we strive to reduce the number of generic statements about ESG and increase the reporting of our activities and the impact these actions are having on our portfolio and the wider world. It seems there is an ever-growing wealth of statements from the industry with positive intentions, but it is actions that will make progress not intentions.

We want to be ambitious in our goals. This ambition needs to be tempered with the reality of what is possible. As you will see from reading the report, we are making progress in a wide range of areas but there are still technological and practical constraints as well as differing levels of attention for ESG matters across our occupier profile. All amongst the backdrop of tighter profit margins and a focus towards the core business lines. It is important that we maintain integrity in what we do and how we communicate this to all stakeholders.

Property impacts upon the environment, the health and wellbeing of occupiers as well as the communities in which they are situated. We continue to engage with the wider social and natural environment within which our properties are located. We have taken the lead on initiatives to enhance the landscaping and biodiversity in and around our assets and have also supported occupier led activity.

Managing energy consumption, as the primary source of carbon emissions within the portfolio, is central to our strategy. A key project for the year was the installation of infrastructure to collect and analyse energy consumption data from the portfolio. With a live dataset in place, we can start to map out our future performance, using key metrics, and have clear visibility on the impact of the direct portfolio on the environment. This means we can take control of the carbon emissions from the portfolio with integrity and identify exactly where further improvements can be achieved.

The final strand to our approach is governance and we strive to integrate ESG into all elements of business practice through investment into our assets directly and through our partnership with our managing agents and tenants. This is enabled through our Sustainability and Social Responsibility Committee which focuses on the identification of ESG goals at the start of the year following by the implementation and delivery of all ESG initiatives. We are committed to providing full transparency on our proactive approach and this provides the foundation from which can execute our environmental and social responsibilities.

Marcus Phayre-Mudge
Portfolio Manager

George Gay
Portfolio Manager

Policy and Commitments

Our Direct Property ESG Policy, published in June 2021, articulated our approach and commitments to ESG. To deliver on that commitment, we have implemented three distinct strategic pillars: Asset Energy Performance (Environmental), Occupier Engagement (Social) and Operational Performance (Governance).

These pillars include a range of strategic priorities which guide the direction of our ESG approach. This is regularly reviewed and enhanced in partnership with our managing agents.

Further to this, our commitment to achieving net zero is strengthened through our managing agent's membership of the Better Buildings Partnership (BBP), a collaboration of the UK's leading commercial property owners to support our mutual focus for the coming year on establishing our pathway to achieving net zero carbon by 2050.

A three pillared approach

1. **ENVIRONMENTAL:** Asset Energy Performance
2. **SOCIAL:** Occupier Engagement
3. **GOVERNANCE:** Operational Performance

Asset Energy Performance (Environmental)

reducing our carbon intensity

Data Management

We want to set ambitious targets to reduce the carbon intensity and Scope 1 and 2 emissions for both ourselves and our occupiers across the portfolio. The first step in doing this is to accurately measure our energy consumption. The installation of automated meter readers (AMR) is a tool that will facilitate this.

Over the past 12 months we have installed AMRs on 70% of the utility supplies that we control and have also worked with 20% of our tenants to install AMRs on their own supplies. Through the AMRs, live consumption data is collated and analysed by the property-industry recognised SIERA+ platform which is helping to shape our building operation decisions.

The dataset from the AMRs will also be critical to the Fund's inaugural GRESB submission, by setting the benchmark against which future ESG performance can be tracked. This ongoing access to a fully transparent and live dataset means we can confidently take control of our carbon emissions and pinpoint exactly where further efficiencies can be achieved. The case study for TW12VE, Reading, set out overleaf, illustrates the direct benefit that good data management can have in reducing energy consumption and also demonstrates our broad-based approach to ESG.

Access to a transparent and live data means we can take control of our carbon emissions and pinpoint where efficiencies can be achieved.

CASE STUDY:

TW12VE, Reading

Since the installation of AMR's at TW12VE, access to live energy consumption data via the Sierra+ database enabled the management team to identify that there was a continuous consumption of electricity out of office hours, when the building was unoccupied.

After further investigation the water heaters were found to be running continuously on each floor. As a result of this the onsite team have introduced timers for the water heaters on occupied floors and switched off the heaters on the vacant floors. This has resulted in a reduction in energy consumption and costs without any impact on occupier service delivery. The management team are now working to identify further possible interventions throughout the portfolio through analysis of the live AMR data feed. Once we have a full year of consumption data, we will be able to quantify the impact of these energy initiatives and disclose further detail to our stakeholders.

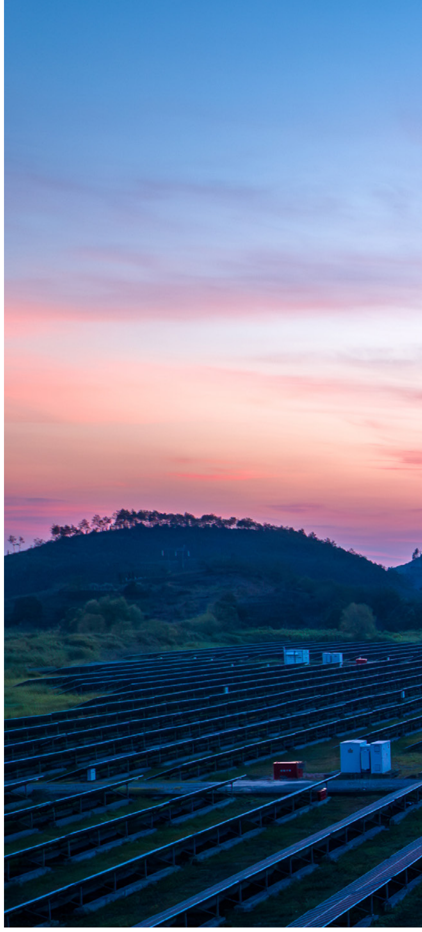
The recent extensive refurbishment to the building saw the EPC improve from an E to a C. A further assessment in the last year saw this improvement continue and the building is now rated B and fully compliant with the MEES regulations, as explained below. This means that current and future occupiers in the space can benefit from the certainty that the building already meets the standards of the forthcoming EPC regulations.

Given the building is fully powered from renewable electricity sources through the PV on the roof and electricity backed supplied by the Renewable Energy Guarantees of Origin (REGO) scheme, the management team have also arranged for the gas meter to be removed which reinforces our commitment to reducing the consumption of fossil fuels across the portfolio.

As part of our managing agent's membership of the BBP, operational data for TW12VE was submitted to Real Estate Environmental Benchmark (REEB) to ascertain the energy intensity performance of the building relative to the wider REEB dataset. The energy intensity of TW12VE is circa 50% better than the Good Practice benchmark for offices. This means that compared to other offices buildings within this specific REEB dataset TW12VE is about 50% more energy efficient than the Good Practice Benchmark and 75% more efficient than the Typical Practice Benchmark. This clearly demonstrates the positive impact of the decarbonisation of the building and investment into energy management technology.

- AMRs have identified energy saving opportunities
- Building fully compliant with MEES regulations
- 100% renewable energy
- Building out performs REEB targets


WIRED
Saving Net Zero



Minimum Energy Efficiency Standards (MEES) and Energy Performance Certificate ('EPC')

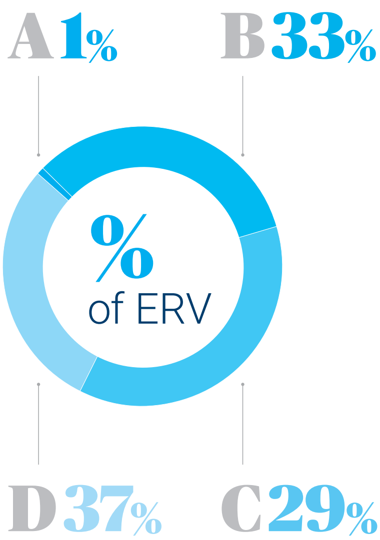
The Fund's exposure to EPC risk has been well managed, with every applicable UK property having a valid EPC rating.

As part of our continuing asset management strategy, we constantly review the EPC profile for the portfolio, identifying opportunities to improve the EPC rating. This is both implemented by us directly or achieved in collaboration with occupiers to undertake works. For example, we worked with an occupier in Bristol to remove the gas heaters out of the unit which resulted in the EPC rating improving from a C to a B.

To future-proof the portfolio, the Manager's Sustainability and Social Responsibility Committee has established a target to achieve a minimum EPC rating of B for all planned refurbishments and upgrade works to the portfolio. We acknowledge the shift towards a minimum EPC grade of B by 2030 to meet MEES and are committed to bringing the current portfolio in line with this requirement.

Over the last 12 months the percentage of the portfolio which complies with the 2030 MEES requirements increased from 4% to 34% and refurbishments planned for the forthcoming year will improve this position even further.

Energy Performance Certificate Ratings 2022/23 (ERV)



Source: Columbia Threadneedle Investments

GRESB

Another key objective for the last 12 months has been to start feeding into the GRESB reporting framework. The Manager will be using the fund data for 2022/23 to make its inaugural GRESB submission. The results of this submission will be available in October 2023 and will benchmark the fund against its peers. It will also enable the Manager to identify further sustainability opportunities to enhance the net zero strategy whilst also targeting annual improvements in the GRESB score on our direct portfolio.

We are confident that the portfolio is on track to meet the long-term requirements of MEES and we will continue to drive the EPC profile for the portfolio in this positive direction over the next 12 months.

Green Lease Clauses

Our occupiers account for the majority of the energy consumption of our buildings. In recognition that we need to partner with our occupiers, in 2021 we developed a Green Lease toolkit for all new leases. This involves occupier engagement on the benefits of working together to reduce energy, water consumption and waste generation and has been incorporated into all new leases and renewal leases where possible for over 18 months.

By formalising the mutual commitment between landlord and occupier, energy efficiencies can be achieved through Green Lease Clauses and in turn reduce carbon emissions from the assets. The inclusion of Green Lease Clauses is now standard practice for all new leases within the direct portfolio and enables us to proactively manage the carbon intensity of the portfolio and gain further control of Scope 1 and 2 emissions. By the end of this reporting year 22% of leases (as a percentage of ERV) included Green Lease clauses.

Renewable Energy Sources

All landlord controlled electricity and gas supplies continue to be procured on certified green tariffs backed by the Ofgem regulated Renewable Energy Guarantees of Origin (REGO) scheme. Alongside this we have been running feasibility studies on the installation of PV panels to improve the renewable energy environmental profile and ensure energy performance compliance across the portfolio in readiness for 2030.

Removal of gas supplies

Once redundant gas supplies have been identified we have worked with occupiers to decommission and disconnect the supply. Not only does this again have a positive impact on Scope 1 emissions, it has also resulted in a significant improvement in EPC ratings. Once this was flagged to our occupier in Plymouth, they disconnected and removed the gas supply and the EPC rating improved from a C to an A rating. In Central Causeway, Bristol we were able to remove the gas prior to reletting the unit and the EPC improved from a C to a B. By doing this we have ensured both units meet the MEES 2030 regulations.

22% Green leases

100% Renewable energy procurement

Occupier engagement (Social)

Being proactive in developing our ESG agenda.

Occupier Engagement (Social) – A critical part of achieving our ESG goals is communication and collaboration with our occupiers. It has been a very busy year with extensive occupier engagement. This activity has enabled the Management Team to identify a variety of opportunities to progress and implement our collective ESG objectives.

Newsletter – A quarterly ESG newsletter is published and circulated to all occupiers. Key content for the newsletters included inviting occupiers to participate in the AMR installation programme, community engagement initiatives and raising biodiversity awareness across the portfolio. These newsletters have initiated conversations between landlord and occupier on how we can work together to reach our collective sustainability goals. As a result of this Golden Acre at Chertsey Gate want to work with us to improve the EPC rating and energy efficiency of the building they occupy.

Tenant survey – The first ESG and Sustainability survey was conducted this year with our occupiers to further encourage engagement. It gave us an opportunity to understand more about the key ESG objectives within our occupier profile and has helped shape our strategy moving forward. We will continue to conduct these surveys on an annual basis to maintain this conversation and identify further opportunities where we can work together with our occupiers to meet our sustainability goals.

EV charging points – Whilst they do not reduce energy consumption, through our commitment to sourcing renewable electricity, it does assist in the decarbonisation of Scope 1 emissions. We have worked with our occupiers in Bristol, Milton Keynes, and Colchester to install EV charging points within their demises. It is imperative that we ensure the process to install is as efficient as possible so occupiers can quickly benefit from this initiative.

Community engagement – The integration of our properties and occupiers into the wider community has also been a priority. Over the Christmas period the site team at TW12VE, Reading, coordinated with occupiers to collect donations for homeless families in partnership with local charity Launchpad, Reading's leading homelessness prevention charity. This ensured vital support was given to Reading's most vulnerable over the winter months.

The generous donation of food and toiletries from businesses based at TW12VE helped Launchpad to make last Christmas better for some of our clients. Last year Launchpad supported over 1,400 people in Reading who were homeless or at risk of losing their homes – and demand for our help continues to rise. Thank you again for your kindness.

Launchpad, Reading.

In addition to this, Golden Acre in Chertsey Gate have continued to provide vital support local charities including The Runnymead Foodbank and White Lodge.

AMR Installation Programme – This programme has helped initiate conversations with occupiers to review their own usage and occupation, through giving them the opportunity to have access to live consumption data. Over the last year we successfully installed AMRs on behalf of 7 occupiers which represents 10% of the portfolio as a percentage of ERV.

We expect this number to grow over the forthcoming year as we continue to engage with occupiers on this programme. In the meantime, most occupiers who do not have AMRs installed shared their consumption data with us manually so this could be inputted to the GRESB submission.

Closing statement

Great progress has been made over the last 12 months. This reflects the commitment of Columbia Threadneedle Investments/Thames River Capital to drive the sustainability profile of the direct portfolio forward with measurable targets against which we can benchmark future performance.

We have learnt a lot of the last year and have been quick to implement new initiatives and support occupiers with theirs'. There will always be a lot more we can do however, now that we have a good momentum of progress, we can continue to integrate sustainability and carbon reducing initiatives into our hands-on asset management strategy. These will be both landlord and occupier led, and we are looking forward to sharing further progress in the next report and getting ever closer in our journey to net zero on our current portfolio.

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