CT UK Property Authorised Investment Fund

Annual Report and Audited Financial Statements
CT UK Property Authorised Investment Fund
May 2024

Contents

**These pages comprise the Authorised Corporate Director's Report.*

Introduction

This Annual Report reviews the performance of the CT UK Property Authorised Investment Fund and the market background over the year to 15 May 2024.

Columbia Threadneedle Investments has a dynamic, award winning approach to property investment. Our experienced investment team has been investing since 1994, and the focus on maintaining high yields has distinguished us from the market.

Property picking is key
We believe that specific property selection within sectors is the primary driver of long-term performance. Our experience, resources and contacts allow us to select the most appropriate and attractively valued properties for our funds while avoiding exposure to property shares.

A preference for high yielding investments
We believe that over the long term, income is the dominant component of property total returns. As such, yield is a key focus of our property selection process.

Flexible buyers
We do not populate our portfolios with trophy assets, as these frequently offer unappealing yields. Instead, we seek good value and investment potential across all sectors, geographies and lot sizes.

Avoid speculative development
This kind of activity locks up capital for long periods of time and can be risky. We prefer to buy standing investments with the potential to improve returns.

Active asset management unlocks value
We work hard to maximise the returns from the properties we own, refurbishing and updating buildings regularly in order to increase capital value and improve rental growth potential.

We hope that you find this Annual Report informative. If you have any further queries regarding any aspect of your investment or about other Columbia Threadneedle Investments products, please contact us directly on 0800 068 3000 (8am – 6pm Monday to Friday) or speak to your financial adviser. Alternatively, please visit **columbiathreadneedle.com**.

Company Information

Company
CT UK Property Authorised Investment Fund Registered Number IC000976.

Registered Office
Cannon Place, 78 Cannon Street, London EC4N 6AG

Director
There is a sole director, the Authorised Corporate Director (the ACD), which is Threadneedle Investment Services Limited.

Board of Directors of the ACD
R Bajaj (Appointed to the Board as a Non-Executive on 1 January 2024)
K Cates (Non-Executive)
M Fisher (Appointed to the Board on 6 June 2024)
J Griffiths (Resigned from the Board on 28 September 2023)
J Perrin
A Roughead (Non-Executive)
R Vincent
L Weatherup (Resigned from the Board on 31 January 2024)

Authorised Corporate Director's Report

The ACD, Threadneedle Investment Services Limited, has pleasure in presenting the Annual Report and Audited Financial Statements for CT UK Property Authorised Investment Fund for the year to 15 May 2024.

We hope that you find the report informative. Should you require any further information regarding any aspect of your investment, or about other Columbia Threadneedle products, we would be pleased to help. Alternatively, you may find it helpful to visit columbiathreadneedle.com for further information about Columbia Threadneedle.

Thank you for your continued support.

R Vincent
Director of the ACD

DIRECTORS' STATEMENTS

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook, we hereby approve the Annual Report and Audited Financial Statements on behalf of the Company.

R Vincent
Director of the ACD
29 August 2024

M Fisher
Director of the ACD

Investment Report

Investment Objective

It is intended that the CT UK Property Authorised Investment Fund (the "Company" or "Fund") be a Property Authorised Investment Fund (PAIF) at all times and so its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business as further described below. HM Revenue & Customs has confirmed to the ACD that the Company meets the requirements to qualify as a PAIF under regulation 69O of the PAIF Tax Regulations.

The objective of the Company is to obtain a total return based on income and capital appreciation predominantly through investment in certain kinds of real estate, property related securities, government and public securities and units in collective investment schemes.

Investment Policy

Where the investment policy of the Company contains the word 'primarily' in the description of its investment policy, the Company will invest not less than two-thirds of the value of the property in the specified kind of assets.

The Company will invest primarily in UK commercial real estate. It may also invest in US or Continental European real estate, property-related securities, property investment companies, collective investment schemes (including other collective investment schemes managed, advised or operated by the ACD or its associates), cash and near cash, warrants, deposits and money market instruments. Derivatives may be used for investment purposes on the giving of 60 days' notice to Shareholders. At the date of this Prospectus derivatives are used for efficient portfolio management purposes only.

Review

This report covers the period from 16 May 2023 to 15 May 2024 however where data is not available for 15 May 2024 end of April and end of March data is used as appropriate for comparative purposes.

Status of the Company

The Company is a non-UCITS retail scheme for the purpose of the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) an alternative investment fund for the purpose of the Alternative Investment Fund Managers Directive (AIFMD), and a standalone company for the purposes of OEIC Regulations, each as amended from time to time.

Portfolio strategy*

The CT UK PAIF continues to generate a high-income component from a well-diversified UK commercial property portfolio. We stock pick assets offering high, sustainable income yields and proactively manage those assets to deliver positive financial, environmental and social outcomes. The Fund's property portfolio offers a high degree of asset and tenant diversification, which limits volatility, and our focus on smaller lot sizes offers a high level of liquidity, as we can trade with a diverse investor pool to capitalise on prevailing demand and supply sentiment.

Sector composition, when compared to the MSCI Monthly Index remains robust with 79% of the Fund exposed to the buoyant 'warehouse sector' (industrial and retail warehousing).

Further to the Fund's strategic sale programme offices exposure has been reduced further to c.1% (versus c.21% of the benchmark); Retail c.8% (versus c.7% benchmark), and Alternative sectors c.11% (versus c.14% benchmark) and it is anticipated that the overweight warehouse / underweight office bias will prove defensive over the coming months as office value deterioration accelerates.

The imminent sale completion of Hemel One for £8.5m (office) will not only significantly reduce the funds office exposure and vacancy rate but will also enhance the Funds high and sustainable income component whilst providing surplus liquidity for strategic purchases. The portfolio is positively positioned towards sectors we have a high conviction view of, with a bias towards industrial and logistics and retail warehousing. Positive attributes include:

- No speculative development.
- Rapidly reducing void rate courtesy of strategic office sales programme and completion of asset management initiatives.
- Industrial and Retail Warehouse exposure accounts for 75.8% of the Funds real estate exposure with both sectors delivering relatively strong performance.
- A significant income yield advantage versus the MSCI UK Monthly Benchmark – historically highest dividend in its peer group over 1,3, 5 and 10 years.
- Highly liquid average lot size of c. £6.0m.
- Significant unrealised potential to add value through further active asset management across the portfolio.
- Proven track record of delivering relative outperformance in periods of significant macroeconomic volatility.

**31 May 2024*

Sales

The Fund sold nine assets during the year generating gross sales receipts of £45.7m. 89% of the sales proceeds were generated from offices properties with the remainder from the High Street.

Purchases

Following the strategic sale of offices, surplus cash was recycled into functionally relevant assets providing active asset management opportunities and exhibiting income and capital growth characteristics. Over the year the fund invested £43m into 'warehouse' assets at a combined income yield of 7.8%.

Fund Investment Activity Disposals:

Property Address	Quarter	Sale Proceeds (£)	Sector
1300 Parkway North, Bristol	Q1	2,000,000	Out of Town Offices
The Boulevard, Capability Green	Q1	10,870,921	Out of Town Offices
Buildings 4, 7, 8 & 9, Quinton Business park	Q1	8,500,000	Out of Town Offices
Harlequin Office Park, Bristol	Q1	3,500,000	Out of Town Offices
9-11 The Forum, Stevenage	Q1	1,350,000	Unit Shop
Viking Business Park, Jarrow	Q2	2,356,760	Industrial / Warehouse
The Broadway, Accrington	Q2	1,500,000	Unit Shop
Birmingham International Park, Starley Way, Solihull	Q4	7,100,000	Out of Town Offices
Hemel Hempstead, Hemel One	Q4	8,500,000	Town Centre Offices
TOTAL		**45,677,681**	

Fund Investment Activity Acquisitions:

Property Address	Quarter	Purchase Price (£)	Sector
Baglan Industrial Park	Q1	2,891,622	Industrial / Warehouse
Gelli-Hirion Industrial Estate	Q1	7,394,998	Industrial / Warehouse
Cibyn Industrial Estate	Q1	2,774,170	Industrial / Warehouse
Aberaman Park Industrial Estate	Q1	3,965,484	Industrial / Warehouse
Bath Road, Reading	Q1	7,100,000	Retail Warehouse
Units A-H & Unit 2, Eastways Industrial Estate, Witham	Q1	18,884,620	Industrial / Warehouse
TOTAL		**43,010,894**	

Investment Report

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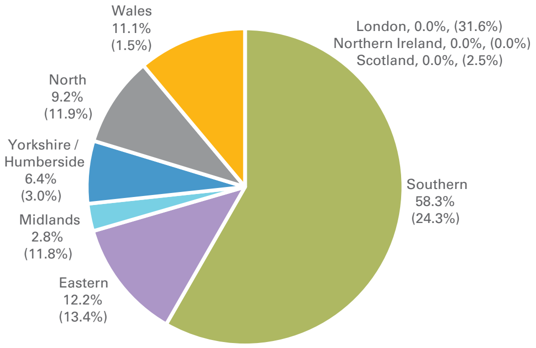
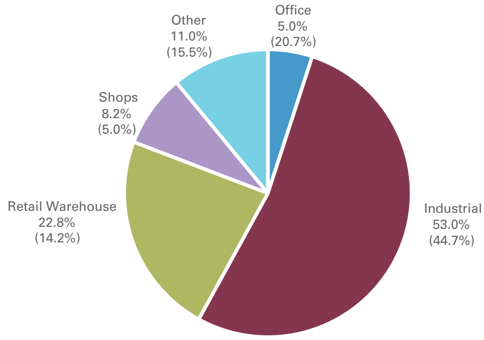
Performance

Portfolio weighting – geographical



Source: Columbia Threadneedle Investments/ (MSCI, 30 April 2024)

Portfolio Sector Weightings

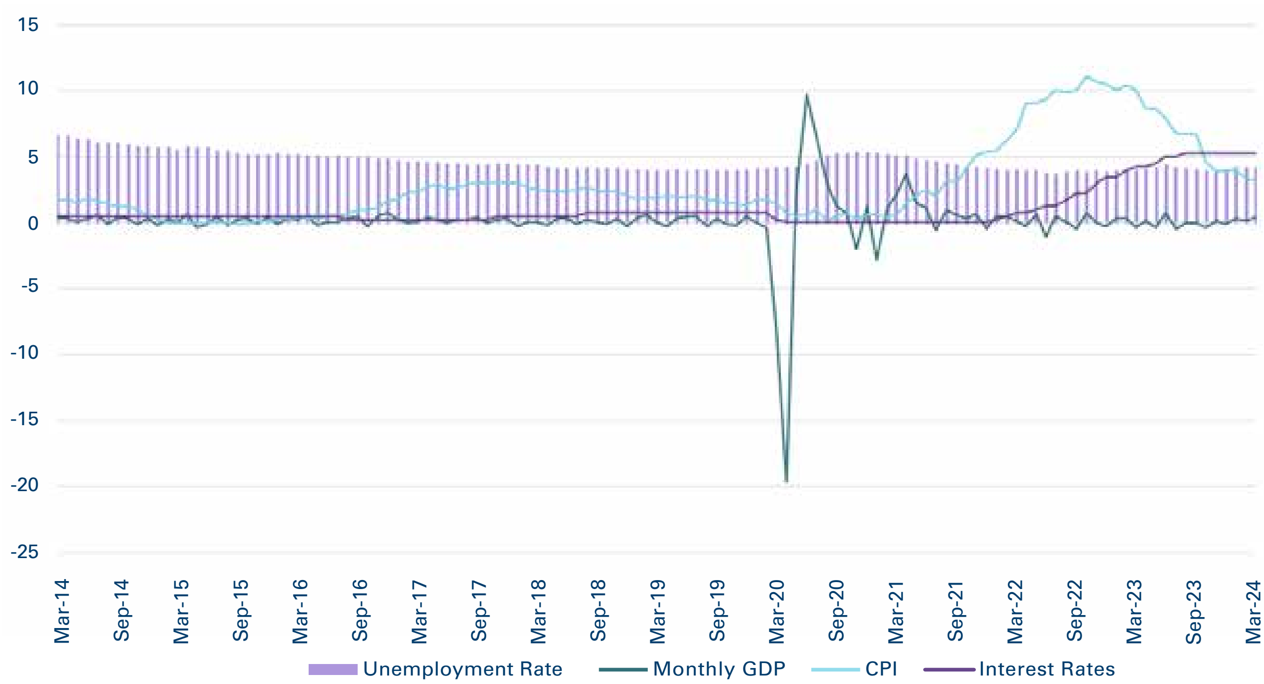


Source: Columbia Threadneedle Investments/ (MSCI, 30 April 2024)

UK Macroeconomy

The UK economy recorded GDP growth in first quarter (1Q24), departing the shallow recession witnessed in the final quarter of 2023. UK GDP is estimated to have grown by 0.6% in the 3-months to March, led by a recovery in the services and production sectors recording 0.7% and 0.8% respectively. Despite this, headwinds remain as the impact of a sustained higher interest rate environment continues to unwind.

UK GDP, interest rates, CPI and unemployment (monthly %)



Source: Office for National Statistics ('ONS')

Headline inflation rose by 3.2% year-on-year ('y-o-y') to March down from 4.0% recorded in the 12-months to December. As energy and food inflationary pressures subside, the downward trend is likely to continue, and inflation is expected to return close to the Bank of England's ('BoE') 2.0% target in second half of 2024 (2H24). The BoE voted to hold the base rate at 5.25% at its latest meeting in May however the continued downward trajectory of inflation (high of 11.1% recorded in October 2022) could result in an interest rate cut sooner than expected, with financial markets anticipating the BoE do so by as early as June 2024.

The labour market remains constrained by historical standards with unemployment at 4.3% in March whilst average total pay (excl. bonuses) grew by 6.0% in the 12-months to March. Retail sales volumes were up 1.9% in 1Q24 although unexpectedly flat in March but, rising real household incomes should support consumer activity as the year progresses.

UK Commercial Property Market (Source: MSCI UK Monthly Index)

Total returns for the UK commercial property market turned positive in 1Q24 with the MSCI UK Monthly Index recording a return of 0.6% from the decline of 1.2% in 4Q23. A slowdown in the rate of capital value decline was the main reason for the recovery recording -0.8% in 1Q24 (-2.6% in 4Q23) and despite the ongoing economic headwinds, income return remained positive at 1.5%, marginally ahead of 4Q23 (1.4%) demonstrating the resilient income credentials that underpin the market.

Investment Report

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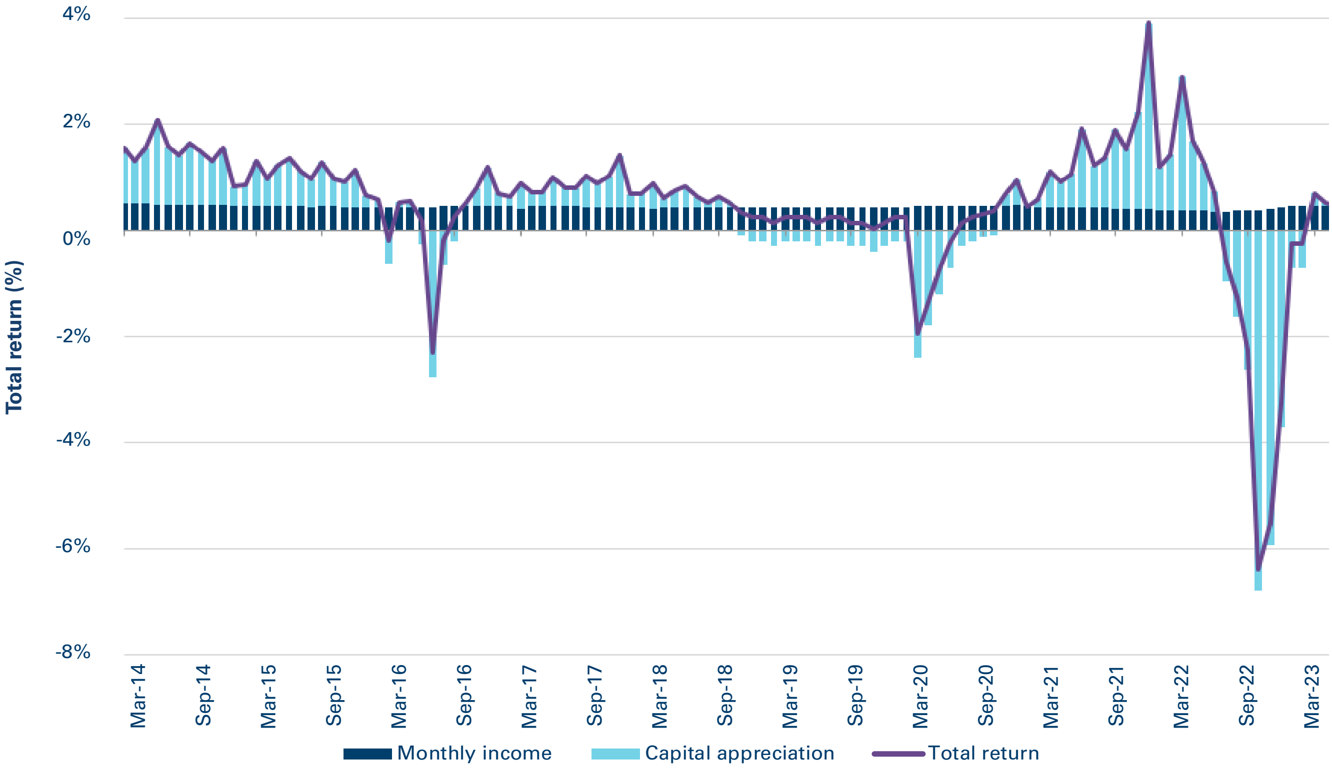
UK commercial property monthly total returns (monthly, %)

10-year UK commercial property total returns



Source: MSCI UK Monthly Index

The market continues to evidence a divergence in performance across UK commercial property sectors alongside a preference for quality or those that can be repositioned to higher value uses, and this is, generally speaking, across all sectors. The retail sector was the best performing sector in 1Q24, delivering a total return of 1.5%, bolstered by a healthy income return of 1.8% across all retail sub-sectors. The sector recorded a capital value decline of 0.2% in 1Q24 with only retail warehousing contributing a positive capital return (0.3%) as strong investor demand fed through to market pricing. It should be noted that retail warehousing was the only sub-sector in the Index to positively contribute to returns on a capital basis in the quarter. The industrial sector recorded a total return of 1.1% in 1Q24, with a sustainable income return of 1.2% and capital value decline of 0.2%. Sustained investor demand for the sector persists as it remains underpinned by strong occupational fundamentals.

The office sector recorded a total return of -1.4% in 1Q24, the weakest performing sector over the quarter owing to the impact of continued structural headwinds. Capital values declined by 2.8%, notably an improvement from the decline of 5.5% recorded in 4Q23. Investor sentiment towards offices remains weak as widespread adoption of hybrid working has weakened overall occupational demand, in addition to increased environmental standards resulting in a heightened risk of obsolescence impacting rental and capital performance. The 'Other' sector, which comprises the likes of residential, student housing, healthcare, and hotels, recorded a total return of 0.8% in 1Q24, comprising an income return of 1.5% and capital value decline of 0.7%. The 'Other' sector is a growing element of the Index, increasing from c.3% to c.10% over the last 10 years as investors seek to capitalise on structural changes in UK's demographics which continue fuel income growth potential.

Investment Report

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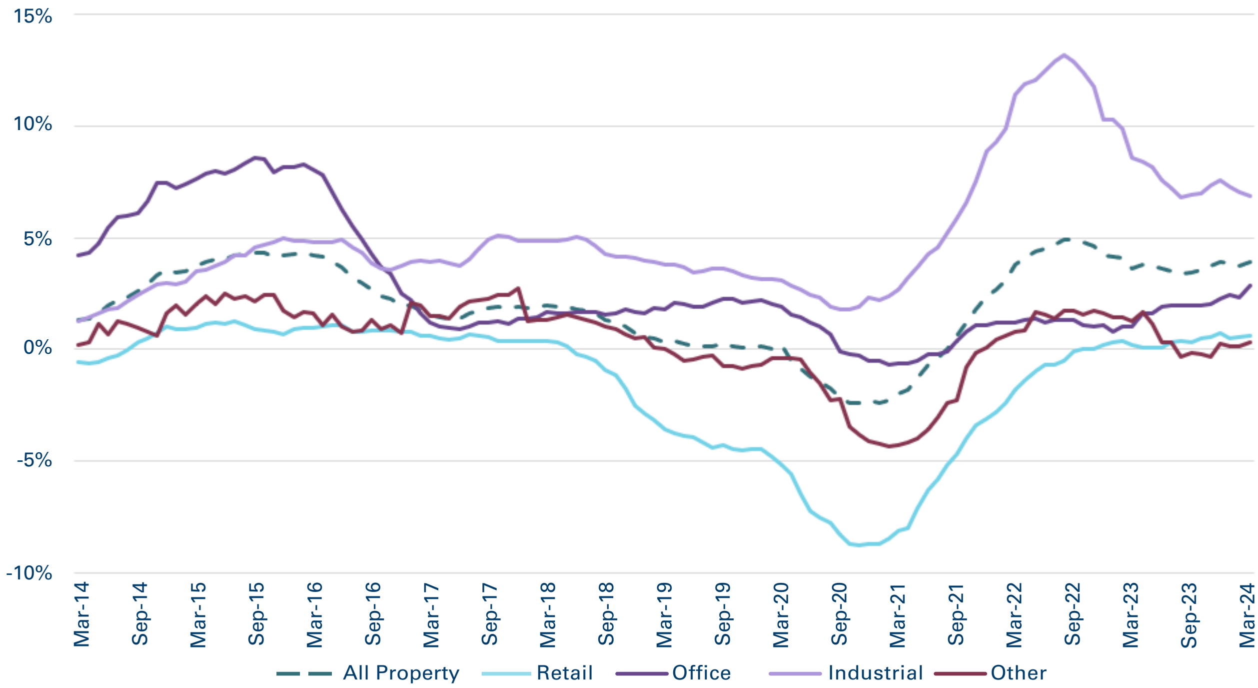
UK property market rental value growth (year-on-year, %)



Source: MSCI UK Monthly Index

All-Property rental value recorded 0.8% in 1Q24, remaining positive despite the ongoing economic headwinds, however notably slowing from rental value growth of 1.2% recorded in 4Q23. The industrial sector recorded 1.1% of rental value growth in 1Q24, a moderate level to the record-breaking growth seen through the years immediately post the pandemic (4.0% recorded in 4Q21), however occupational fundamentals remain solid due to the shortage of supply, further elevated by a slowing of the development pipeline due to increased construction and financing costs. Strong occupational demand and historically low vacancy rates in retail warehousing supported positive rental growth of 0.4% in 1Q24 offsetting rental decline in other retail sub-sectors with the retail sector recording 0.1% rental value growth in 1Q24. Despite the structural impact of a change in working patterns post-pandemic, office rental values recorded growth of 0.8% in 1Q24. Rental value growth in the office sector recorded 0.8% in 1Q24, predominately attributable to the Central London West End & Mid Town sub-sector (2.8% in 1Q24) where strong rental performance was achieved on 'Best-in-Class' accommodation which is in short supply and where occupier demand is focused.

The All-Property net initial yield as at the end of March 2024 recorded 5.6%, increasing marginally from 5.5% in 4Q23. With the era of ultra-low interest rates come to an end and the continued disparity of sector performance, further value correction is expected although at a slow rate with a view of bottoming-out by end 2Q24. This alongside more conservative LTVs, increased margin costs and potentially elevated rates of under and non-performing loans could see increased instances of bank-forced sales, creating further opportunity for market dislocation.

UK Property Investment Market (Source: Lambert Smith Hampton)
Total UK commercial property investment volumes recorded c.£9.9BN in 1Q24, c.9% below 4Q23 and c.26% below the 10-year quarterly average. The living sectors (hotel, student, healthcare and private rental sector) accounted for c.49% of the total investment volumes in 1Q24 at c.£4.8BN reflecting the ongoing weakness in the core commercial sectors however this was bolstered by a number of large investment transactions including Starwood Capital's acquisition of a 10-hotel portfolio for c.£800m, the largest 1Q24 transaction.

Investment volumes in the office sector recorded c.£1.7BN in 1Q24, c.36% below 4Q23 and c.65% below the 10-year quarterly average. This marked a record low quarter for office investment volumes over the last 15 years second only to 2Q20 at the onset of the pandemic (c.£1.1BN). The industrial sector recorded transaction volumes of c.£1.6BN in 1Q24, c.21% above 4Q23 and c.21% below the 10-year quarterly average. Large scale transactions were notably absence in the quarter against recent standards with distribution warehousing continuing to dominant transactions volumes accounting for c.52%. The retail sector recorded transaction volumes of c.£1.6BN in 1Q24, c.16% below 4Q23 and c.20% below the 10-year quarterly average. The shops segment, which includes Central London and foodstores dominated activity accounting for c.69% of retail investment volumes owing to a number of large single ticket Central London and foodstore portfolio transactions whilst retail warehousing volumes remained absence for the quarter (c.£0.3m) owing to limited stock availability.

UK Property Lending Market (Source: The Bayes Business School)
In the latest version of The Bayes Business School UK Commercial Real Estate lending report released in May 2024 (published bi-annually), the analysis recorded new loan originations volumes for commercial real estate recorded c.£32BN in 2023, c.33% below 2022, recording the lowest volume since 2013. This is a result of weaker lending appetite as a consequence of higher interest rates, lower investment volumes in UK commercial property and valuation uncertainties. In 2023, UK Banks recorded a c.14% decline in lending activity whilst other non-bank lenders declined activity by c.50%. Development lending accounted for c.16% of all new lending activity in 2023 (c.£5.8BN), with residential accounting for c.52% of activity.

Investment Report

(continued)

The report stated that the UK lending commercial real estate market is becoming increasingly binary, with debt being sourced from either UK Banks or Debt Funds. European Banks are finding it increasingly difficult to provide funding due to ongoing regulations and unfavourable currency movements whilst International Banks lending activity has reached a historic low of c.25% of all UK real estate lending. The bifurcation in lending appetite across UK commercial property sectors reflects that of the investment market with comparatively lower levels of liquidity for sectors such as offices unless 'Best in Class'. As a consequence, lenders are increasingly specialising in specific areas to position themselves as experts in their chosen segments. With c.£71BN of outstanding loans (c.42% of total outstanding loans) to be refinanced in the next 12 months, focus is likely to remain on existing loan book positions. Nevertheless, Columbia Threadneedle Investments is aware of significant lending appetite from various sources that are actively targeting the UK commercial real estate sector. There is a strong preference for standing investments, and in particular, those within the key sectors which benefit from structural tailwinds backed by highly engaged Sponsors.

A key component of the cost of property debt are interest rate SWAP contracts which are used to hedge against the risk of adverse movements in interest rates. By the end of 1Q24, the 5-year SONIA swap rate remained elevated at c.3.8% compared to sub-3% in August 2022, increasing the likelihood of instances where property income will be insufficient to cover the interest rates on new loan refinancings. This dynamic, along with more conservative Loan to Values ('LTVs'), increased margin costs and potentially elevated rates of under-performing loans are anticipated to place downward pressure on asset pricing in certain sectors throughout 2024.

Industrial / Warehouse (Source: Gerald Eve)
The industrial / warehouse market includes the logistics sub-sector and is defined as warehouse property >50,000 sq ft designed to facilitate large scale distribution or manufacturing. The sector continues to evidence landlord favourable dynamics due to low levels of supply and robust levels of occupier demand from retailers and distributors adjusting to the growth of online retailing, and manufacturers seeking to nearshore operations.

In 1Q24, industrial / warehouse leasing for take-up of >50,000 sq ft units recorded c.10.4m sq ft, c.14% below 4Q23 and c.13% below the 10-year quarterly average (c.13.6m sq ft). The reduced volume in leasing take-up for 1Q24 is in part due to occupiers pausing expansionary activity in 2H23 against the backdrop of intensified economic challenges and uncertainty, awaiting further clarity on the economic environment before proceeding.

The largest industrial / warehouse leasing transactions in 1Q24 included Yusen Logistics' (third-party logistics operator) c.1.2m sq ft pre-let at SERGO Logistic Park in Northampton, and Google's acquistion of 33-acres of development land at Waltham Cross for data centre use. Occupational demand continues to be focused on high quality and energy-efficient space, with c.78% of leasing take-up in 1Q24 accounted for by new-build space (speculative build and pre-let). The logistics sector represented the largest proportion of occupational demand at c.19%, followed by manufacturing and services both accounting for c.14%. The structural shift in the UK's migration from physical to online retailing continues to be a key driver of demand whilst the increased activity witnessed in the manufacturing sector (notably the house building/construction, food and automotive sectors) is attributed to the nearshoring of operations to improve supply chain resilience as well as the opportunity for occupiers to upgrade accommodation.

The availability rate for industrial / warehouse units >50,000 sq ft was c.6.4% in 1Q24 (c.62m sq ft), marginally ahead of c.6.0% recorded in 4Q23. The increase in availability over the quarter is largely attributed to the return of second-hand space to the market. The availability rate of new build, refurbished and under construction space remained unchanged at c.4.7% in 1Q24 (c.27m sq ft). In 1Q24, c.5.7m sq ft of speculative development commenced, reflecting an increase of c.185% from 4Q23, which is the highest level recorded since 4Q22 and primarily focused on prime sites and locations with proven track records.

Industrial property below c.50,000 sq ft is typically grouped in a terraced formation on multi-let industrial estates. In the 1970's and 1980's, the UK witnessed multi-let estate industrial development at the edge of urban conurbations when the UK economy was more biased toward a manufacturing output and alternative use site values were lower. However, with sharply escalating residential site values and the development of the UK as a service-based economy, the development of multi-let industrial estates has decreased.

More recently, the limited supply of small to mid-size industrial units resulted in meaningful rental growth and significant investor demand for multi-let industrial estates due to the nationwide lack of investment supply. Multi-let industrial estates act as a useful proxy for the general health of the UK economy due to business confidence and the output of small to medium sized enterprises. Furthermore, this style of warehouse accommodation may pivot towards supporting the online retail industry as retailers require warehouses in urban locations in an effort to reduce delivery times. This has caused strong growth in occupier demand for multi-let industrial estates, thereby generating rental and capital value growth.

Offices
Widespread adoption of remote working during national lockdowns in 2020 in compliance with UK Government guidelines has led many occupiers to review office requirements and consider rationalisation of office space and adoption of flexible, hybrid models which combine office and home working. While this was now a few years ago the hybrid model is here to stay but one size does not fit all, and corporates are still assessing the best model that fits their operations. However, across the UK, occupiers are continuing to focus on 'Best-in-Class', amenity rich Grade A office accommodation in order to attract and retain a highly skilled workforce in what is still a competitive labour market evidenced by low unemployment rates by historical standards.

This is resulting in an overall lower level of demand, but the active requirements in the market are being concentrated on 'Best-in-Class' buildings where a lack in high quality available leasing supply is commanding record rental values. With construction start dates being postponed by developers due to outward yield movements, increased void risk, rising debt and construction costs. However, despite occupiers reviewing their requirements, many occupational decisions are being postponed until further clarity can be obtained on corporate working patterns.

Central London Market (Source: CBRE Limited)
Central London office leasing take-up recorded c.1.9m sq ft in 1Q24, c.44% below 4Q23 and c.37% below the 10-year quarterly average. Take-up is expected to increase over the coming quarters, with the volume of 'under offer' leasing transactions in 1Q24 (c.4.1m sq ft) remaining high relative to long term trends. The largest leasing transaction in 1Q24 was a pre-let of c.95,600 sq ft by the University of Sutherland's (Educational Services) at 40 Leadenhall Street, EC3, in the City of London demonstrating the continued flight to quality. Business services dominated 1Q24 accounting for c.22% of leasing take-up, followed by creative industries with a c.20% share.

Central London office availability reached c.25.9m sq ft in 1Q24, c.3% above 4Q23 and c.51% above the 10-year quarterly average. The availability of second-hand office accommodation dominated supply in 1Q24, accounting for c.67% (c.17.3m sq ft) of space across the market, as older and lower

Investment Report

(continued)

quality space continues to take longer to lease. The availability of newly completed space increased by c.8% in 1Q24 to c.4.3m sq ft and early marketed space (not ready to occupy but will become so within 12 months) remained broadly unchanged at c.4.2m sq ft. In total, there was c.13.4m sq ft under construction across Central London at the end of 1Q24, of which c.42% is already pre-let or under offer. The Central London office vacancy rate ended 1Q24 at c.8.8%, marginally ahead of 4Q23 (c.8.7%) and c.310bps above the 30-year quarterly average vacancy rate of c.5.7%.

South East Market (Source: Knight Frank)
Leasing take-up in the South East office market recorded c.1.0m sq ft in 1Q24, c.34% below 4Q23 and c.12% above the 10-year quarterly average. Pre-leasing activity of new space or under construction accounted for c.43% of 1Q24 take-up followed by Grade A space accounted for c.51% highlighting occupier demand for 'Best in Class' accommodation. The largest South East office leasing transactions in 1Q24 included Johnson & Johnson's (pharmaceutical sector) c.97,500 sq ft lease at Tempo, Maidenhead followed by YASA Motor's (manufacturing sector) c.88,000 sq ft pre-let at Bicester Motion IQ, Bicester. Occupier requirements in the South East office market marginally declined to c.4.8m sq ft in 1Q24 (c.4.9m sq ft in 4Q23) with the Technology, Media, and Telecom sector ('TMT') representing the largest proportion of active occupational demand at c.43%, followed by Financial & Business Services at c.21% and Retail, Distribution & Transport at c.10%.

M25 office leasing availability recorded c.9.4m sq ft in 1Q24, c.22% above 4Q23 and c.24% above the 10-year quarterly average. Accordingly, the M25 office vacancy rate increased to c.7.8% in 1Q24, recording a c.90bps increase from 4Q23 (c.6.9%). When considering Grade A quality space, M25 office vacancy stood at c.5.7% in 1Q24, an increase on the c.4.9% recorded in 4Q23. As at end 1Q24, speculative office developments in the South East with completions scheduled prior to end 2026 totalled c.3.9m sq ft, evidencing that the current occupier demand of c.4.8m sq ft outstrips the development pipeline. Despite this the higher build cost environment and outward yield movements in the sector continue to test viability for landlords.

Regional Market (Source: Avison Young)
Regional office leasing take-up recorded c.1.88m sq ft in 1Q24, c.2% below 4Q23 and c.3% below the 10-year quarterly average. Leasing activity remains focused on city centre locations recording c.59% of all leasing activity verses(vs.) the out-of-town markets. The largest regional office leasing transactions in 1Q24 included BBC's c.64,000 sq ft lease at Typhoo Wharf, Birmingham, and University College Birmingham's c.44,670 sq ft lease at Bakerville House, Birmingham.

In 1Q24, regional office leasing availability declined to c.14.0m sq ft (c.14.6m sq ft in 4Q23), reflecting a vacancy rate of c.9.1%. Of the regional office markets, Edinburgh (c.6.0%) and Liverpool (c.7.2%) remained the most restricted markets in terms of total availability and Grade A supply, whilst Birmingham (c.10.7%) and Glasgow (c.10.7%) had the highest rates of vacancy. In 1Q24, office space under construction across the regional office market which is due for completion by 2026 recorded c.4.3m sq ft, of which c.32% is pre-let as occupier demand focuses on new 'Best-in-Class' accommodation. Development is focussed on the major city centres with Manchester accounting for c.22% of accommodation under construction, followed by Glasgow and Bristol at c.17% and c.15% respectively.

Retail (Source: ONS & Savills)
The pandemic transformed UK consumer buying habits, accelerating the growth of online shopping. As the UK emerged from the pandemic this trend has now normalised from a peak of c.37.8% (online spending as a proportion of total UK retail sales) to c.25.9% in March 2024. Whilst the proportion of online spending has moderated it remains above its pre-pandemic level of c.19.1% (February 2020).

Retail warehousing emerged from the pandemic as the most functionally relevant retail sub-sector, highly aligned to evolving consumer trends and complimentary to the growth in online retailing. Retail warehousing is well-aligned to the consumer's ever-increasing preference for convenience, being easily accessible and benefitting from ample free car parking, and often providing amenities such as gym facilities and food & beverage outlets which further boost consumer dwell-time Accordingly, the post-pandemic recovery in consumer footfall has been stronger in retail warehousing than any other retail sub-sector.

The fundamentals of the retail warehousing sub-sector also appeal to retailers given the ease of 'Click & Collect' fulfilment, lower rental levels than typically found on high streets or in shopping centres, low service charges, regular unit configuration and sustained levels of consumer footfall/demand. These are all factors that have resulted in increased occupational demand for the sub-sector in recent years which is reflected in analysis by Savills who recorded record levels of new store openings in 2022 (c.1,045 stores vs. the 10-year average of c.825). New store openings in 2023 (c.733 stores) however was c.30% below that of 2022 primarily driven by a lack of quality supply which is evidenced by a vacancy rate which continues to fall to historic lows (c.4.6% in 2023 vs. c.4.8% in 2022). With Planning Authorities focused on addressing the UK's lack of residential accommodation and a high cost of construction making new-build development financially unviable, the retail warehouse supply pipeline will remain highly restricted in the short to medium term. Accordingly, supply will continue to tighten which is likely to support more positive rental growth in 2024.

Throughout periods of economic distress, consumer spending on discretionary items (leisure), non-essential goods (clothing and footwear) and bigger ticket items (household items such as carpets, furniture, and white goods) reduces whilst consumer staples and discount brands often outperform as consumers with reduced disposable incomes 'trade down' to lower cost items/products. In response to this, value-oriented retailers such as Lidl, Aldi, Home Bargains and B&M continue to be the most acquisitive brands in the retail warehouse sub-sector. A lead indicator of UK consumer sentiment is the GfK Consumer Confidence Index which recorded -21 in March 2024 (-22 in December 2023) against that of pre-pandemic levels -7 in February 2020. According to The Deloitte Consumer Tracker report, released in 1Q24, reported c.30% of UK consumers are opting for cheaper brands in response to rising prices and declining household budgets and c.25% reported buying more goods on promotion.

Outlook
The underlying UK commercial property market investor base continues to evolve following the financial market turmoil of September 2022 which accelerated disinvestment by UK Pension Funds from the property fund universe. In contrast, aggregate dry powder in closed ended real estate funds amounting to c.$400BN, is expected to replace this disinvestment in key favoured sectors. Global private equity closed ended funds are generally focused on thematic strategies seeking to capitalise on changing long-term structural occupational and behavioural trends which is resulting in functional obsolescence in certain sectors and diminishing the investable universe to focus on favoured sectors which have the potential to deliver sustained rental and capital outperformance.

Challenges remain in the UK commercial property market as both capital and occupational markets adapt to a higher interest rate environment. The days of ultra-low interest rates seen over the last 15 years are over with market expectations of a 'higher for longer' period. UK commercial property

Investment Report

(continued)

investment volumes in 1Q24 were subdued and remain c.26% below the 10-year quarterly average. The market since 2H23 has been notably short of investment stock by historic terms owing to the anticipated cut in interest rates, delaying investor decisions in the expectation of better pricing later in the year. On balance other investors with upcoming debt refinancing may not have the luxury of time with further investment stock being released to the market, but this is not expected to be a deluge of distress.

Capital value declines have moderated for favoured sectors, with pricing expected to bottom-out through mid-2024 with retail warehousing perhaps the lead indicator of nascent pricing recovery whilst further asset repricing is anticipated in non-favoured sectors, for example offices where vacancy continues to rise. Income returns underpin the expected improvement in total returns whilst yield-driven capital returns are likely to be limited in the short to medium term. This will drive the continued divergence in performance across the UK commercial property market. Over time the benefits of a looser monetary policy will drive market recovery, but the impact is unlikely to be seen fully until 2025 with a lag to the real economy until then.

This market environment creates a significant buying opportunity for well capitalised UK focused specialist real estate managers with a proven track record in executing contra-cyclical strategies, that are able to take advantage of in-depth knowledge of the key sectors which benefit from structural tailwinds.

Financial Conduct Authority (FCA) Review of Open Ended Property Funds

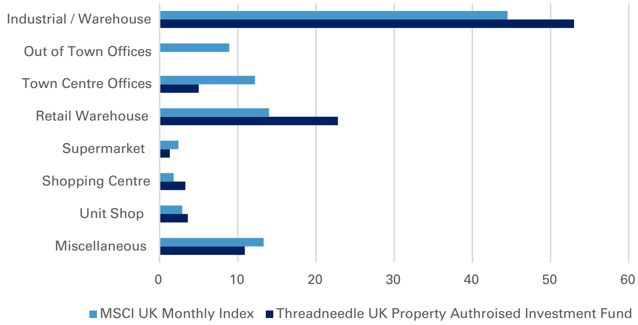
The feedback statement explains that the FCA are:

- Aligning the work with that of the Long-Term Asset Fund (LTAF).
- Continuing to consider next steps in view of the feedback received together with requirements for ISA investors.
- Aware of the operational difficulties that mandatory notice periods would create and will be actively working with the Productive Finance Working Group, Bank of England, HM Treasury and the industry to overcome these.
- If the FCA do proceed with notice periods they will allow for an 18 month to two-year implementation period before the rules come into effect.

The FCA has recognised that any changes will require significant platform development.

Outlook

The key trends impacting the real estate industry at present are the inflation / interest rate environment, an increasingly persistent sector disparity reflecting societal change, digitalisation and decarbonisation. The Fund is well positioned to weather any further macro volatility through its highly diverse at property (39), tenancy (316) and covenant level with the top ten tenants by rent payable accountable for 37% of the income (12.1% from the strong covenants of Amazon.com and Wickes Group PLC. The portfolio is also diversified across a range of geographies and locations but purposely south centric 58.3% (by value as at 30/04/2024, and to capitalise on socio-economic and environmental trends through its stock selection and active management bias.



Source: Columbia Threadneedle Investments/ (MSCI, 30 April 2024)

The Fund was ranked in the second quartile for the 3 months to end May 2024; in the second quartile over 1 year and the third quartile over both 3 and 5 years; (versus the IA Direct Property Median. Performance based on 12pm bid to bid prices, net income reinvested, net of fees. Source Morningstar)

CT UK Property Authorised Investment Fund
Performance record

Total return (net of fee) - calendar years	2023	2022	2021	2020	2019	2018
CT UK Property Authorised Investment Fund	-3.2	-12.5	7.4	-4.5	0.4	-2.6
Morningstar/IA - Direct Property Funds Median	-3.4	-12.5	7.3	-4.5	0.4	-2.6
Excess return	0.2	0.1	0.2	0.0	0.0	0.0

- From 12 April 2019 unit pricing approach for the Fund was changed from being priced on a quoted spread basis to being dual priced on a full spread basis removing the need for Columbia Threadneedle to adjust the unit price, either through a pricing basis change or applying a special price to large transactions on any given day.

Source: Columbia Threadneedle Investments and Morningstar as at 31 May 2025. Fund returns

Following the Managers strategic sales programme and sector reweighting in favour of the 'warehouse' sectors the improvement in Fund performance is immediately visible when considering from a different perspective. With consideration to the MSCI UK Monthly Property Index (UK Direct Property) for the 12 months to the end of April 2024, 'Standing Investments' (disregards Fund costs associated with buying and selling and major capital expenditure projects) and illustrates monthly outperformance of at least 30bps for 6 of the last 7 months as illustrated below:

All Assets		May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24
Total Return	Portfolio	0.07	0.17	0.39	-0.34	0.44	0.24	-0.09	-0.31	0.26	-0.37	0.57	0.93
(% m-o-m)	Benchmark	0.41	-0.06	-0.10	0.05	-0.25	-0.26	-0.57	-0.53	0.15	0.07	0.22	0.56
	Relative	-0.34	0.23	0.49	-0.39	0.69	0.50	0.48	0.22	0.11	-0.44	0.35	0.37
Income Return	Portfolio	0.61	0.60	0.62	0.62	0.61	0.61	0.61	0.61	0.67	0.66	0.66	0.64
(% m-o-m)	Benchmark	0.45	0.44	0.44	0.45	0.44	0.45	0.46	0.45	0.46	0.46	0.46	0.48
	Relative	0.16	0.16	0.18	0.17	0.17	0.16	0.15	0.16	0.21	0.20	0.20	0.16

Source: MSCI UK Monthly Property Index (Unfrozen) (UK Direct Property)

Property Portfolio of the CT UK Property Authorised Investment Fund

Retail

Less than £1 million in Value	% of Total Assets 0.31 (0.29)	Total Market Value £0.90m	Principal Tenants	Rental Income per annum	Next Rent Review
Ipswich **30-36 Tavern Street** Freehold. Four retail units arranged over basement ground and two upper floors. Grade II listed. Property totals 7,736 sq ft.			Various	£94,000	06/05/2025

Between £1 million and £2.5 million in Value	% of Total Assets 1.45 (2.15)	Total Market Value £4.15m	Principal Tenants	Rental Income per annum	Next Rent Review
Carmarthen **Units 2-12 Red Street** Freehold parade of seven retail units which are arranged over ground and first floors. Property totals 19,134 sq ft.			Various	£248,000	N/A
Carmarthen **15-23 Red Street & Units 1-4, 15 John Street** Leasehold, parade of nine retail units constructed in the 1970s. Predominantly arranged over ground and two upper floors. Property totals 39,465 sq ft.			Various	£222,500	08/08/2021 (o/s)

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Retail *(continued)*

Between £1 million and £2.5 million in Value	% of Total Assets 1.45 (2.15)	Total Market Value £4.15m	Principal Tenants	Rental Income per annum	Next Rent Review
Ipswich **24/28 Tavern Street and 4/8 Dial Lane** Freehold, block of six retail units arranged over basement ground and three upper floors. Property totals 16,594 sq ft.			Various	£132,700	02/12/2022 (o/s)

Ipswich
4/8 Dial Lane

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Retail *(continued)*

Between £2.5 million and £5 million in Value	% of Total Assets 1.23 (1.03)	Total Market Value £3.53m	Principal Tenants	Rental Income per annum	Next Rent Review
Brighton **Units 1-4, The Abacus** Long Leasehold, terrace of four retail units over ground and basement totalling 30,882 sq ft.			Various	£497,100	N/A

Retail Warehouse

Between £2.5 million and £5 million in Value	% of Total Assets 1.19 (1.11)	Total Market Value £3.43m	Principal Tenants	Rental Income per annum	Next Rent Review
Coventry **Matalan Wheler Road** Leasehold. Two bay retail warehouse built in 1986. Ground floor sales with tenant fitted mezzanine used for storage. Property totals 36,323 sq ft with 203 car parking spaces.			Matalan Retail Ltd	£327,510	25/12/2026

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Retail Warehouse *(continued)*

Over £5 million in Value	% of Total Assets 17.57 (13.04)	Total Market Value £50.40m	Principal Tenants	Rental Income per annum	Next Rent Review
Fareham **Collingwood Retail Park** Freehold purpose built retail warehouse park of four units and a restaurant 'pod' totalling 76,520 sq ft. with 372 car parking spaces.			Various	£808,582	06/05/2026
Holyhead **Holyhead Retail Park** Freehold retail warehouse park, built in 2005. The park is configured as a retail terrace of five units with a stand-alone Wilkinsons store and a fast food unit. Externally, there are 206 parking spaces. Property totals 65,330 sq ft.			Various	£215,500	25/03/2026
Reading **Reading Retail Park** Freehold retail warehouse park of eight units totalling 118,352 sq ft with 430 car parking spaces.			Various	£1,790,984	16/01/2024 (o/s)
Reading **Units 1 & 2 Bath Road** Long leasehold. Two purpose built retail warehouse units totalling 19,951 sq ft.			Boots UK Ltd Sports Direct	£375,000 £250,000	26/05/2027

Reading Retail Park

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Offices

Between £1 million and £2.5 million in Value	% of Total Assets 0.00 (0.60)	Total Market Value £0.00m	Principal Tenants	Rental Income per annum	Next Rent Review
N/A					

Between £2.5 million and £5 million in Value	% of Total Assets 1.17 (2.49)	Total Market Value £3.35m	Principal Tenants	Rental Income per annum	Next Rent Review
Crawley **1 Forest Gate** Freehold, detached office building constructed in 1993. Arranged over ground and two upper floors. There are external car parking totalling 126 spaces. Property totals 23,090 sq ft.			Vacant	£0	N/A

Over £5 million in Value	% of Total Assets 0.00 (12.10)	Total Market Value £0.00m	Principal Tenants	Rental Income per annum	Next Rent Review
N/A					

Supermarket

Between £2.5 million and £5 million in Value	% of Total Assets 1.05 (0.95)	Total Market Value £3.00m	Principal Tenants	Rental Income per annum	Next Rent Review
Boscombe **The Former Superstore, Sovereign Centre** Freehold. Former Safeway supermarket located in The Sovereign Centre. Divided into two sublet retail units. Ground and first floor levels. Totals 50,235 sq ft.			Safeway Stores Ltd	£454,500	N/A

Industrial

Less than £1 million in Value	% of Total Assets 0.09 (0.07)	Total Market Value £0.25m	Principal Tenants	Rental Income per annum	Next Rent Review
Stowmarket **Development Site D, Gipping Way** Freehold development site extending to approximately 1.54 acres.			Development Site D	£0	N/A

Between £1 million and £2.5 million in Value	% of Total Assets 1.10 (1.67)	Total Market Value £3.15m	Principal Tenants	Rental Income per annum	Next Rent Review
Stanley **Tanfield Lea North Estate** Freehold, purpose built production facility with ancillary and office space. Property totals 35,480 sq ft.			KP Snacks Ltd	£115,500	22/04/2021 (o/s)
Sunderland **Pennywell Industrial Estate** Freehold. The property comprises ten originally constructed units, which have subsequently been modified to provide five self-contained units. Property totals 45,747 sq ft.			Various	£167,775	N/A

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Industrial *(continued)*

Between £2.5 million and £5 million in Value	% of Total Assets 11.26 (6.70)	Total Market Value £32.30m	Principal Tenants	Rental Income per annum	Next Rent Review
Aberdare **Aberamen Park Industrial Estate** Freehold, 1990's built multi-let industrial estate of 25 units totalling 81,436 sq ft. There is open yard space and parking provision to the front of each unit.			Various	£303,245	09/10/2023 (o/s)
Barnard Castle **Harmire Enterprise Park** Freehold, multi-let industrial estate, providing 29 office and industrial / warehouse units, 11 of which have been sold on long leases. The remaining units total 40,626 sq ft.			Various	£263,194	N/A
Caernarfon **Cibyn Industrial Estate** Freehold, multi-let industrial estate of 21 units arranged across five detached buildings. Constructed in 1970's and 1980's. Property totals 73,471 sq. ft.			Various	£245,837	02/03/2022 (o/s)
Crowborough **April Court Sybron Way** FH, 1980s built industrial complex comprising 16 units with a total floor area of 31,410 sq ft. Generally configured with ground floor industrial / trade counter space and office accommodation at first floor level.			Various	£160,270	10/03/2025
Knottingley **A1 Business Park, Unit A1** Freehold, a detached industrial/ warehouse unit with integral single storey office and kitchen/ staff facilities. Constructed in 1997. Property totals 53,077 sq ft.			Vacant	£0	N/A
Port Talbot **Baglan Industrial Park** Freehold, multi-let industrial estate of 16 units, six of which have been sold on long leases. The property totals 58,193 sq. ft. arranged across three separate terraces. There is open yard space and parking provision to the front of each unit.			Various	£277,334	08/10/2023 (o/s)
Stevenage **Unit 11, Babbage Road** Freehold, standalone single storey warehouse with adjoining brick built office building. External yard with customer parking area. Property totals 16,900 sq. ft.			Arriva UK BUS Investments Limited	£144,602	07/01/2027
Thornbury **Units 17-30 Thornbury IE** Long leasehold, 14 industrial units of varying age located throughout Thornbury Industrial Estate. Property totals 57,546 sq ft.			Various	£362,962	08/10/2023 (o/s)
Waterlooville **Brambles House, Waterberry Drive** Leasehold, detached industrial warehouse building constructed in 1992 totalling 55,154 sq ft.			Vacant	£0	N/A
Wellingborough **Units D-F, Whittle Close** Leasehold. Three detached industrial warehouse units, all with two storey offices. The property totals 58,177 sq ft. Externally there are 58 car parking spaces.			RML Group Limited	£274,455	N/A

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Industrial *(continued)*

Over £5 million in Value	% of Total Assets 31.07 (18.26)	Total Market Value £89.10m	Principal Tenants	Rental Income per annum	Next Rent Review
Basildon **Bakers Court Industrial Estate** Freehold, multi-let industrial/ trade counter estate of 22 units totalling 68,260 sq ft.			Various	£526,500	20/08/2023 (o/s)
Basildon **Wollaston Industrial Estate** Freehold, large multi-let industrial estate, various unit sizes and types. Let on a mixture of leaseholds and long leaseholds. Property totals 176,727 sq ft.			Various	£435,633	N/A
Poole **D'Oriel House Halton Road** Freehold, large detached mid-1980s built warehouse unit with integral two storey offices to the front. Property totals 76,413 sq ft.			Private individual t/a Tower Supplies	£437,500	N/A
Pontypridd **Gelli-Hirion Industrial Estate** Freehold. 1970's built industrial estate of 17 units arranged as a mix of stand-alone, semi-detached and a terrace of seven units. Property totals 149,428 sq. ft. There is open yard space and parking provision to the front of each unit.			Various	£451,476	N/A
Stowmarket **Bosch Facility & development sites A,B,C, Gipping Way** Freehold, a production, research and testing warehouse plus adjoining office and development sites. Property totals 192,003 sq ft.			Bosch Lawn & Garden Ltd	£615,000	01/01/2023 (o/s)

Poole

D'Oriel House Halton Road

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Industrial *(continued)*

Over £5 million in Value	% of Total Assets 31.07 (18.26)	Total Market Value £89.10m	Principal Tenants	Rental Income per annum	Next Rent Review
Sunderland **West Quay Court** Freehold industrial estate, comprising a well specified production facility / distribution warehouse. Eight units totalling 124,450 sq ft.			Various	£605,266	N/A
Swindon **Amazon, Unit 7, South Marston** Leasehold detached industrial warehouse unit totalling 209,239 sq ft. with surface yard and car parking areas.			Amazon UK Services Limited	£1,569,292	N/A
Thornbury **The Hemingway Business Centre** Leasehold, 15 light industrial units arranged in three terraces, constructed in the early 1970s. Primarily provide ground floor warehouse accommodation with ancillary office blocks. Property totals 68,317 sq ft.			Various	£462,107	21/06/2023 (o/s)
Witham **Units A-H & Unit 2 Eastways Industrial Estate** Freehold, eight units of industrial/ warehouse or trade counter use arranged as seven units opposite a large stand-alone unit. Constructed in the late 1970's. Property totals 15,162 sq. ft.			Various	£1,235,199	03/11/2021 (o/s)

Swindon

Amazon, Unit 7, South Marston

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Leisure

Between £2.5 million and £5 million in Value	% of Total Assets 1.34 (0.98)	Total Market Value £3.85m	Principal Tenants	Rental Income per annum	Next Rent Review
Brighton **The Boardwalk Restaurants** Long leasehold, The Boardwalk development comprises a modern mixed-use scheme of 4 restaurant units and 3 office units totaling 26,986 sq ft (2,507 sq m) plus 8 upper floors comprising 195 residential units across two towers. The residential units have been separately sold off.			Various	£445,450	01/04/2026

Over £5 million in Value	% of Total Assets 7.61 (6.30)	Total Market Value £21.83m	Principal Tenants	Rental Income per annum	Next Rent Review
Bradford **Gallagher Leisure Park, Dick Lane** Freehold, a modern, refurbished mixed use leisure scheme comprising an Odeon cinema, a gym, KFC and Costa Drive-Thru. Property totals 84,271 sq ft with 758 car parking spaces.			Various	£1,114,789	14/06/2027
Southport **Ocean Plaza, Marine Parade** Long leasehold, leisure park on the edge of Southport town centre. The asset comprises a single detached unit which has been divided to provide a gym, a seven screen cinema, bowling alley and a further eight restaurant and leisure units. The Premier Inn on the site has been sold off on a long lease.			Various	£970,269	29/09/2022 (o/s)

o/s = Rent review has not been finalised.

Property Portfolio of the CT UK Property Authorised Investment Fund *(continued)*

Shopping Centres

Over £5 million in Value	% of Total Assets 2.69 (2.56)	Total Market Value £7.73m	Principal Tenants	Rental Income per annum	Next Rent Review
Braintree **George Yard Shopping Centre** Freehold town centre open shopping centre of 33 retail units and 3 office suites.			Various	£1,064,341	16/11/2023 (o/s)

George Yard Braintree

o/s = Rent review has not been finalised.

Financial Statements

STATEMENT OF TOTAL RETURN

for the accounting period 16 May 2023 to 15 May 2024

	Notes	2024 £000	2023 £000
Income			
Net capital losses	2	(14,851)	(113,646)
Revenue	3	26,564	35,632
Expenses	4	(11,079)	(12,348)
Net revenue before taxation		15,485	23,284
Taxation	5	–	–
Net revenue after taxation		15,485	23,284
Total return before distributions		634	(90,362)
Distributions	6	(15,798)	(23,966)
Change in net assets attributable to shareholders from investment activities		(15,164)	(114,328)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the accounting period 16 May 2023 to 15 May 2024

	2024 £000	2023 £000
Opening net assets attributable to shareholders	335,980	530,541
Amounts receivable on the issue of shares	5,759	69,997
Amounts payable on the cancellation of shares	(55,559)	(175,234)
	(49,800)	(105,237)
Dilution adjustment	850	3,010
Change in net assets attributable to shareholders from investment activities (see statement of total return above)	(15,164)	(114,328)
Retained distribution on accumulation shares	14,923	21,994
Closing net assets attributable to shareholders	286,789	335,980

BALANCE SHEET

as at 15 May 2024

	Notes	2024 £000	2023 £000
Assets:			
Fixed assets:			
Tangible assets:			
Investment properties	18	227,518	236,365
		227,518	236,365
Current assets:			
Debtors	7	8,120	8,734
Cash and bank balances	8	26,359	64,793
Cash equivalents	8	36,630	43,320
Total assets		298,627	353,212
Liabilities:			
Creditors:			
Distribution payable		(162)	(253)
Other creditors	9	(11,676)	(16,979)
Total liabilities		(11,838)	(17,232)
Net assets attributable to shareholders		286,789	335,980

CASH FLOW STATEMENT

for the accounting period 16 May 2023 to 15 May 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities			
Net revenue before taxation		15,485	23,284
Decrease in debtors		265	2,149
Decrease in creditors		(2,617)	(1,862)
Cash from operations	**15**	**13,133**	**23,571**
Taxation		(88)	(170)
Net cash generated from operating activities		**13,045**	**23,401**
Cash flows from investing activities			
Capital Expenditure		(3,830)	(3,781)
Payments to acquire investment properties		(46,030)	–
Payments to acquire investments		(39,810)	(43,937)
Receipts from the sale of investment properties		44,050	145,975
Receipts from the sale of investments		46,500	–
Net cash generated investing activities		**880**	**98,257**
Cash flows from financing activities			
Distributions paid		(613)	(1,193)
Amounts received on issue of shares		5,954	73,480
Amounts paid on cancellation of shares		(57,700)	(174,237)
Net cash used in financing activities		**(52,359)**	**(101,950)**
Net (decrease)/increase in cash and cash equivalents	17	(38,434)	19,708

DISTRIBUTION TABLE

for the accounting period 16 May 2023 to 15 May 2024

Dividend distribution in pence per share

Class 1 – Income shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2023/2024	Distribution Paid 2022/2023
Group 1						
16/05/23 to 15/08/23	0.6896	0.1379	0.5517	–	0.5517	0.8572
16/08/23 to 15/11/23	0.5838	0.0032	0.5806	–	0.5806	0.7470
16/11/23 to 15/02/24	0.7869	0.1555	0.6314	–	0.6314	0.7824
16/02/24 to 15/05/24	0.7147	0.1392	0.5755	–	0.5755	0.6529
Group 2						
16/05/23 to 15/08/23	0.4751	0.0950	0.3801	0.1716	0.5517	0.8572
16/08/23 to 15/11/23	0.4129	0.0022	0.4106	0.1700	0.5806	0.7470
16/11/23 to 15/02/24	0.7869	0.1555	0.6314	–	0.6314	0.7824
16/02/24 to 15/05/24	0.3794	0.0739	0.3055	0.2700	0.5755	0.6529
Total distributions in the period					**2.3392**	**3.0395**

Class 1 – Accumulation shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Gross Revenue Accumulated 2023/2024	Gross Revenue Accumulated 2022/2023
Group 1						
16/05/23 to 15/08/23	1.2027	0.0138	1.1889	–	1.1889	1.6422
16/08/23 to 15/11/23	1.1859	0.0733	1.1126	–	1.1126	1.4489
16/11/23 to 15/02/24	1.4172	0.1119	1.3053	–	1.3053	1.5372
16/02/24 to 15/05/24	1.2954	0.0860	1.2094	–	1.2094	1.3032
Group 2						
16/05/23 to 15/08/23	0.9138	0.0105	0.9033	0.2856	1.1889	1.6422
16/08/23 to 15/11/23	0.4774	0.0295	0.4479	0.6647	1.1126	1.4489
16/11/23 to 15/02/24	0.4557	0.0360	0.4197	0.8856	1.3053	1.5372
16/02/24 to 15/05/24	0.6398	0.0425	0.5973	0.6121	1.2094	1.3032
Total distributions in the period					**4.8162**	**5.9315**

Class 1 – Gross income shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2023/2024	Distribution Paid 2022/2023
Group 1						
16/05/23 to 15/08/23	0.5965	–	0.5965	–	0.5965	0.9575
16/08/23 to 15/11/23	0.5797	–	0.5797	–	0.5797	0.8328
16/11/23 to 15/02/24	0.6848	–	0.6848	–	0.6848	0.8311
16/02/24 to 15/05/24	0.6190	–	0.6190	–	0.6190	0.7063
Group 2						
16/05/23 to 15/08/23	0.2288	–	0.2288	0.3677	0.5965	0.9575
16/08/23 to 15/11/23	0.2643	–	0.2643	0.3154	0.5797	0.8328
16/11/23 to 15/02/24	0.2387	–	0.2387	0.4461	0.6848	0.8311
16/02/24 to 15/05/24	0.6190	–	0.6190	–	0.6190	0.7063
Total distributions in the period					**2.4800**	**3.3277**

Financial Statements

(continued)

Class 1 – Gross accumulation shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Gross Revenue Accumulated 2023/2024	Gross Revenue Accumulated 2022/2023
Group 1						
16/05/23 to 15/08/23	1.2544	–	1.2544	–	1.2544	1.8988
16/08/23 to 15/11/23	1.2340	–	1.2340	–	1.2340	1.6754
16/11/23 to 15/02/24	1.4750	–	1.4750	–	1.4750	1.6954
16/02/24 to 15/05/24	1.3526	–	1.3526	–	1.3526	1.4647
Group 2						
16/05/23 to 15/08/23	0.4739	–	0.4739	0.7805	1.2544	1.8988
16/08/23 to 15/11/23	0.4573	–	0.4573	0.7767	1.2340	1.6754
16/11/23 to 15/02/24	0.9979	–	0.9979	0.4771	1.4750	1.6954
16/02/24 to 15/05/24	0.3844	–	0.3844	0.9682	1.3526	1.4647
Total distributions in the period					**5.3160**	**6.7343**

Class 2 – Income shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2023/2024	Distribution Paid 2022/2023
Group 1						
16/05/23 to 15/08/23	0.7055	0.0288	0.6767	–	0.6767	0.9773
16/08/23 to 15/11/23	0.6881	0.0643	0.6238	–	0.6238	0.8524
16/11/23 to 15/02/24	0.8129	0.0844	0.7285	–	0.7285	0.8999
16/02/24 to 15/05/24	0.7352	0.0681	0.6671	–	0.6671	0.7509
Group 2						
16/05/23 to 15/08/23	0.2032	0.0083	0.1949	0.4818	0.6767	0.9773
16/08/23 to 15/11/23	0.2952	0.0276	0.2676	0.3562	0.6238	0.8524
16/11/23 to 15/02/24	0.3386	0.0352	0.3034	0.4251	0.7285	0.8999
16/02/24 to 15/05/24	0.2514	0.0233	0.2281	0.4390	0.6671	0.7509
Total distributions in the period					**2.6961**	**3.4805**

Class 2 – Accumulation shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Gross Revenue Accumulated 2023/2024	Gross Revenue Accumulated 2022/2023
Group 1						
16/05/23 to 15/08/23	1.3783	0.0587	1.3196	–	1.3196	1.8182
16/08/23 to 15/11/23	1.3635	0.1245	1.2390	–	1.2390	1.6026
16/11/23 to 15/02/24	1.6294	0.1687	1.4607	–	1.4607	1.7144
16/02/24 to 15/05/24	1.4911	0.1375	1.3536	–	1.3536	1.4523
Group 2						
16/05/23 to 15/08/23	0.3680	0.0157	0.3523	0.9673	1.3196	1.8182
16/08/23 to 15/11/23	0.4759	0.0435	0.4324	0.8066	1.2390	1.6026
16/11/23 to 15/02/24	0.7819	0.0810	0.7009	0.7598	1.4607	1.7144
16/02/24 to 15/05/24	0.8131	0.0750	0.7381	0.6155	1.3536	1.4523
Total distributions in the period					**5.3729**	**6.5875**

Class 2 – Gross income shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution Paid/Payable 2023/2024	Distribution Paid 2022/2023
Group 1						
16/05/23 to 15/08/23	0.7065	–	0.7065	–	0.7065	1.1258
16/08/23 to 15/11/23	0.6881	–	0.6881	–	0.6881	0.9814
16/11/23 to 15/02/24	0.8139	–	0.8139	–	0.8139	0.9804
16/02/24 to 15/05/24	0.7368	–	0.7368	–	0.7368	0.8346
Group 2						
16/05/23 to 15/08/23	0.3142	–	0.3142	0.3923	0.7065	1.1258
16/08/23 to 15/11/23	0.3427	–	0.3427	0.3454	0.6881	0.9814
16/11/23 to 15/02/24	0.3715	–	0.3715	0.4424	0.8139	0.9804
16/02/24 to 15/05/24	0.5723	–	0.5723	0.1645	0.7368	0.8346
Total distributions in the period					**2.9453**	**3.9222**

Class 2 – Gross accumulation shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Gross Revenue Accumulated 2023/2024	Gross Revenue Accumulated 2022/2023
Group 1						
16/05/23 to 15/08/23	1.4564	–	1.4564	–	1.4564	2.1876
16/08/23 to 15/11/23	1.4358	–	1.4358	–	1.4358	1.9340
16/11/23 to 15/02/24	1.7179	–	1.7179	–	1.7179	1.9600
16/02/24 to 15/05/24	1.5786	–	1.5786	–	1.5786	1.6974
Group 2						
16/05/23 to 15/08/23	0.8426	–	0.8426	0.6138	1.4564	2.1876
16/08/23 to 15/11/23	0.6225	–	0.6225	0.8133	1.4358	1.9340
16/11/23 to 15/02/24	1.2260	–	1.2260	0.4919	1.7179	1.9600
16/02/24 to 15/05/24	0.6811	–	0.6811	0.8975	1.5786	1.6974
Total distributions in the period					**6.1887**	**7.7790**

Class F – Gross accumulation shares

Distribution Period	Gross Revenue	Income Tax	Net Revenue	Equalisation	Gross Revenue Accumulated 2023/2024	Gross Revenue Accumulated 2022/2023
Group 1						
16/05/23 to 15/08/23	6.4535	–	6.4535	–	6.4535	9.6095
16/08/23 to 15/11/23	6.3744	–	6.3744	–	6.3744	8.5167
16/11/23 to 15/02/24	7.6378	–	7.6378	–	7.6378	8.6404
16/02/24 to 15/05/24	7.0314	–	7.0314	–	7.0314	7.4929
Group 2						
16/05/23 to 15/08/23	2.4259	–	2.4259	4.0276	6.4535	9.6095
16/08/23 to 15/11/23	2.9414	–	2.9414	3.4330	6.3744	8.5167
16/11/23 to 15/02/24	3.5369	–	3.5369	4.1009	7.6378	8.6404
16/02/24 to 15/05/24	3.3962	–	3.3962	3.6352	7.0314	7.4929
Total distributions in the period					**27.4971**	**34.2595**

Group 2: shares purchased during a distribution period.

Financial Statements
(continued)

Comparative Table Disclosure

	Class 1 – Net income shares			Class 1 – Net accumulation shares		
	15/05/2024	15/05/2023	15/05/2022	15/05/2024	15/05/2023	15/05/2022
Change in net assets per share						
Opening net asset value per share (p)	49.83	66.69	60.44	100.73	127.72	111.09
Return before operating charges (p)	1.74	(11.81)	10.87	2.96	(23.07)	20.38
Operating charges (p)	(0.76)	(0.91)	(0.98)	(1.56)	(1.77)	(1.83)
Property expenses (p)	(1.10)	(0.81)	(0.78)	(2.26)	(1.59)	(1.46)
Return after operating charges (p)*	(0.12)	(13.53)	9.11	(0.86)	(26.43)	17.09
Distributions (p)	(2.78)	(3.33)	(2.86)	(5.10)	(6.49)	(5.34)
Retained distributions on accumulation shares (p)[#]	–	–	–	4.82	5.93	4.88
Closing net asset value per share (p)	46.93	49.83	66.69	99.59	100.73	127.72
*after direct transaction costs of (p)	0.59	0.39	0.19	1.21	0.77	0.36
Performance						
Return after charges (%)	(0.24)	(20.29)	15.07	(0.85)	(20.69)	15.38
Other information						
Closing net asset value (£000)	103	363	516	6,661	8,174	10,840
Closing number of shares	218,813	728,700	773,713	6,688,277	8,114,525	8,486,984
Operating charges (%)**	1.56	1.54	1.57	1.56	1.54	1.57
Property expenses (%)***	2.26	1.37	1.25	2.26	1.37	1.25
Direct transaction costs (%)****	1.21	0.66	0.31	1.21	0.66	0.31
Prices						
Highest share price (p)	49.93	67.94	67.39	100.93	130.31	127.70
Lowest share price (p)	47.05	49.99	60.45	98.63	99.74	111.11

	Class 1 – Gross income shares			Class 1 – Gross accumulation shares		
	15/05/2024	15/05/2023	15/05/2022	15/05/2024	15/05/2023	15/05/2022
Change in net assets per share						
Opening net asset value per share (p)	49.80	66.67	60.42	104.75	132.21	114.53
Return before operating charges (p)	1.43	(11.82)	10.91	3.08	(23.69)	21.08
Operating charges (p)	(0.76)	(0.91)	(1.00)	(1.62)	(1.99)	(1.89)
Property expenses (p)	(1.09)	(0.81)	(0.80)	(2.35)	(1.78)	(1.51)
Return after operating charges (p)*	(0.42)	(13.54)	9.11	(0.89)	(27.46)	17.68
Distributions (p)	(2.48)	(3.33)	(2.86)	(5.32)	(6.73)	(5.52)
Retained distributions on accumulation shares (p)[#]	–	–	–	5.32	6.73	5.52
Closing net asset value per share (p)	46.90	49.80	66.67	103.86	104.75	132.21
*after direct transaction costs of (p)	0.59	0.39	0.19	1.26	0.86	0.37
Performance						
Return after charges (%)	(0.84)	(20.31)	15.08	(0.85)	(20.77)	15.44
Other information						
Closing net asset value (£000)	155	193	242	2,383	3,213	49,731
Closing number of shares	330,681	387,187	363,124	2,294,582	3,066,827	37,616,297
Operating charges (%)**	1.56	1.54	1.58	1.56	1.54	1.57
Property expenses (%)***	2.26	1.37	1.25	2.26	1.37	1.25
Direct transaction costs (%)****	1.21	0.66	0.31	1.21	0.66	0.31
Prices						
Highest share price (p)	49.90	68.02	67.42	104.96	135.11	132.18
Lowest share price (p)	47.03	50.02	60.44	102.79	103.74	114.55

Financial Statements
(continued)

Comparative Table Disclosure
(continued)

	Class 2 – Net income shares			Class 2 – Net accumulation shares		
	15/05/2024	15/05/2023	15/05/2022	15/05/2024	15/05/2023	15/05/2022
Change in net assets per share						
Opening net asset value per share (p)	58.74	78.04	70.20	115.05	145.03	125.37
Return before operating charges (p)	1.69	(13.86)	12.66	3.40	(26.27)	23.08
Operating charges (p)	(0.48)	(0.56)	(0.57)	(0.96)	(1.07)	(1.05)
Property expenses (p)	(1.30)	(0.96)	(0.90)	(2.59)	(1.81)	(1.65)
Return after operating charges (p)*	(0.09)	(15.38)	11.19	(0.15)	(29.15)	20.38
Distributions (p)	(2.94)	(3.92)	(3.35)	(5.86)	(7.42)	(6.07)
Retained distributions on accumulation shares (p)#	–	–	–	5.37	6.59	5.35
Closing net asset value per share (p)	55.71	58.74	78.04	114.41	115.05	145.03
*after direct transaction costs of (p)	0.69	0.46	0.22	1.38	0.88	0.40
Performance						
Return after charges (%)	(0.15)	(19.71)	15.94	(0.13)	(20.10)	16.26
Other information						
Closing net asset value (£000)	6,778	8,403	13,417	3,080	4,792	7,510
Closing number of shares	12,165,570	14,305,974	17,192,263	2,692,543	4,164,747	5,178,114
Operating charges (%)**	0.84	0.81	0.79	0.84	0.81	0.80
Property expenses (%)***	2.26	1.37	1.25	2.26	1.37	1.25
Direct transaction costs (%)****	1.21	0.66	0.31	1.21	0.66	0.31
Prices						
Highest share price (p)	58.88	79.64	78.84	115.32	148.23	145.00
Lowest share price (p)	55.77	58.89	70.22	113.17	113.88	125.39

	Class 2 – Gross income shares			Class 2 – Gross accumulation shares		
	15/05/2024	15/05/2023	15/05/2022	15/05/2024	15/05/2023	15/05/2022
Change in net assets per share						
Opening net asset value per share (p)	58.71	78.03	70.18	121.03	151.62	130.34
Return before operating charges (p)	1.70	(13.87)	12.69	3.58	(27.57)	24.10
Operating charges (p)	(0.48)	(0.57)	(0.58)	(1.01)	(1.12)	(1.10)
Property expenses (p)	(1.30)	(0.96)	(0.91)	(2.73)	(1.90)	(1.72)
Return after operating charges (p)*	(0.08)	(15.40)	11.20	(0.16)	(30.59)	21.28
Distributions (p)	(2.95)	(3.92)	(3.35)	(6.19)	(7.78)	(6.33)
Retained distributions on accumulation shares (p)#	–	–	–	6.19	7.78	6.33
Closing net asset value per share (p)	55.68	58.71	78.03	120.87	121.03	151.62
*after direct transaction costs of (p)	0.70	0.47	0.22	1.46	0.92	0.42
Performance						
Return after charges (%)	(0.14)	(19.74)	15.96	(0.13)	(20.18)	16.33
Other information						
Closing net asset value (£000)	2,623	5,407	11,096	5,260	8,503	12,716
Closing number of shares	4,710,392	9,208,873	14,220,604	4,352,264	7,025,588	8,386,870
Operating charges (%)**	0.84	0.81	0.80	0.84	0.81	0.80
Property expenses (%)***	2.26	1.37	1.25	2.26	1.37	1.25
Direct transaction costs (%)****	1.21	0.66	0.31	1.21	0.66	0.31
Prices						
Highest share price (p)	58.85	79.77	78.91	121.31	155.31	151.59
Lowest share price (p)	55.76	58.95	70.20	119.45	119.81	130.37

Financial Statements

(continued)

Comparative Table Disclosure

(continued)

	Class F – Gross accumulation shares 15/05/2024	15/05/2023	15/05/2022
Change in net assets per share			
Opening net asset value per share (p)	532.41	661.79	564.50
Return before operating charges (p)	15.78	(120.89)	104.88
Operating charges (p)	(0.27)	(0.18)	(0.12)
Property expenses (p)	(12.03)	(8.31)	(7.47)
Return after operating charges (p)*	3.48	(129.38)	97.29
Distributions (p)	(27.50)	(34.26)	(27.71)
Retained distributions on accumulation shares (p)[#]	27.50	34.26	27.71
Closing net asset value per share (p)	535.89	532.41	661.79
*after direct transaction costs of (p)	6.44	4.02	1.82
Performance			
Return after charges (%)	0.65	(19.55)	17.23
Other information			
Closing net asset value (£000)	259,746	296,932	424,473
Closing number of shares	48,469,596	55,770,981	64,139,757
Operating charges (%)**	0.05	0.03	0.02
Property expenses (%)***	2.26	1.37	1.25
Direct transaction costs (%)****	1.21	0.66	0.31
Prices			
Highest share price (p)	535.89	679.44	661.61
Lowest share price (p)	528.54	526.22	564.66

[#]Any difference between the distributions and the retained distributions on accumulation shares is due to tax withheld.

**The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's annual management charge, registration fee, custody fees and distribution cost but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are shares of another fund). The non-UCITS retail scheme Key Investor Information document (NURS-KII) contains the current OCF. For a more detailed breakdown please visit columbiathreadneedle.com/fees.

***The Property Expenses are represented by the Property Expense Ratio (PER) and reflects any additional costs associated with the day-to-day operation of direct property assets.

****Transaction costs have not been reduced by any amounts collected from dilution levies.

Highest and Lowest share prices are based on official published daily NAVs priced at 12 noon on the last business day of the year on a mid basis. The closing net asset value per share is at close of business on a bid basis.

Financial Statements

(continued)

Notes to the financial statements

for the accounting period 16 May 2023 to 15 May 2024

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investments, in compliance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Management Association in June 2014, as amended in June 2017.

(b) Going concern

After making enquiries, and bearing in mind the nature of the Company's business and assets, the ACD considers that the Company has adequate resources to continue in operational existence for the next twelve months. In assessing the going concern basis of accounting the ACD has had regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Company, forecast income and other forecast cash flows. The Company has agreements relating to its borrowing facilities with which it has complied during the year. Based on this information the ACD believes that the Company has the ability to meet its financial obligations as they fall due for the foreseeable future, which is considered to be for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The ACD notes that the Company continues to experience heightened liquidity risk due to market conditions, which may be further affected by unexpected or high levels of share redemptions. The ACD continues to monitor the liquidity of the Company and, if necessary, will take actions required to protect the interests of Shareholders (see Note 12, "Risk Management").

(c) Revenue

Revenue is included in the Statement of Total Return on the following bases:

Dividends, interest and other revenue receivable include any withholding taxes but exclude any other taxes such as attributable tax credits. Turnover consists principally of rental income and service charge income receivable from tenants in the year and is recognised on an accruals basis. Rental income received in advance is deferred and recognised in the period to which it relates. In accordance with FRS 102, rental income from properties which have been subject to a rent free period or inducement, is accounted for on a straight line basis over the period of the lease. The valuation of investment properties is reduced by unamortised lease incentives.

Dividends are recognised when the security is quoted ex-dividend. Equalisation on distributions received is treated as a repayment of capital and deducted from the cost of the investment. Interest on bank and short-term deposits is recognised on an earned basis.

(d) Expenses

All expenses other than those relating to the purchase, sale and improvements of investments and Stamp Duty Reserve Tax arising on sales and purchases of shares in the Fund are included in expenses, in the Statement of Total Return. Expenses are recognised on an accruals basis and include irrecoverable VAT where applicable. Service charge expenditure attributable to tenants includes service charge income and service charge void costs. Service charge expenditure and other property related expenses are recognised on an accruals basis. Further details of the service charge can be found in note 1(k).

(e) Taxation

The Fund qualifies as a Property Authorised Investment Fund (PAIF) for tax purposes. Accordingly, the income generated by its property investment business will be exempt from tax. Any dividend income it receives from UK companies, including non-PID income from qualifying REITs, will also be exempt from tax. Any interest accrued will also be exempt from tax. Corporation tax relief is applicable only where the transfer of the benefit is between the revenue and capital property of at least two different share classes of the Fund. Previously, corporation tax relief could apply between the revenue and capital property of the same share class of the Fund.

Provision for corporation tax is based at the current rate, as appropriate, on the excess of taxable revenue over allowable expenses.

(f) Deferred taxation

Deferred taxation liabilities are provided for in full, and deferred tax assets are recognised to the extent that they are considered recoverable, in respect of all items for which recognition falls in different accounting periods for accounting and taxation purposes. A deferred tax provision is recognised to reflect capital allowance deductions on tax depreciable assets in properties held which will only be recognised by the Fund when the assets have been sold or disposed.

(g) Investments

Property can be held for either long-term rental income or for capital appreciation or both. Property that is not occupied is still classified as investment property. Investment property is measured initially at cost, including related transaction costs, on the date of acquisition or the date of unconditional exchange, if earlier. After initial recognition, investment property is carried at open market value, after the deduction of unamortised lease incentives. Revaluation gains and losses are recognised in the Statement of Total Return. Further details are provided in accounting policy 1(m).

Valuations are performed by CBRE Limited, who are professional, third party, independent Chartered Surveyors, at the period end in accordance with RICS Appraisal and Valuation Standards. The valuer holds recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Open market value is based on active market information, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, alternative valuation methods are used, such as recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, or discounted cash flow projections. The principal assumptions underlying the estimation of open market value are those related to the receipt of contractual rentals, expected future market rentals, void periods, lease incentives, maintenance requirements and appropriate yields/discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Fund and those reported by the market. The expected future market rentals are determined on the basis of the current market rentals for similar properties in the same location and condition. Disposal of investment property are recognised on legal completion of contracts.

The Fair Value of Collective Investment Schemes (CIS) holdings is the bid price for authorised unit trusts and the quoted price for open-ended investment companies and offshore funds.

The principal assumptions underlying the estimation of fair value of Investment Properties are those related to the receipt of contractual rental, expected future market rentals, void periods lease incentives, maintenance requirements and appropriate yields/discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Trust and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(h) Finance Lease

Assets held under finance leases, which transfer to the Fund as lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease with a corresponding liability being recognised for the fair value if the leased asset or, if higher, the present value of the minimum lease payments.

(i) Distribution policy

Where the revenue from investments exceeds the expenses for any share class, a distribution will be made to that share class. Should expenses exceed revenue for any share class, there will be no distribution for that share class and a transfer will be made from capital to cover the shortfall. Within expenses, non-recoverable expenses relate primarily to property maintenance, provision for bad and doubtful debts and ground rent. Where fees cannot be recovered from tenants, they are deducted from income for the purposes of calculating distributions.

Revenue attributable to accumulation shareholders is retained at the end of each distribution period and represents a reinvestment of revenue. Annual management charge and transaction costs are transferred to the capital of the Fund and therefore disregarded in determining the revenue available for distribution.

(j) Provision of bad debts

The potential non-recovery of tenant debts and arrears are considered and incurred losses are provided for by way of a bad debt provision. Key criteria considered when reviewing and assessing the provision are:

- Debts that are older than 3 months;
- Insolvent tenants – those who are in administration, liquidation or a creditors voluntary arrangement (CVA);
- High risk tenants determined by a relevant credit system;
- Poor payors, concern tenants and where enforcement agents/solicitors have been used to recover previous payments;
- Tenants who have vacated premises or their leases have expired whereby arrears cannot be actively pursued.

Where a provision is recognised for a tenant and that tenant has a material lease incentive debtor balance, this will also be provided. So where those tenants which has been 100% provided for (i.e. in administration), then we would also provide an associated lease incentive.

Financial Statements
(continued)

Notes to the financial statements
(continued)

(k) Service charges

Service charges are covered by the tenant while the property is occupied unless specified in the lease agreement. In accordance with FRS 102, service charges are included within income and property deductible expenses in the Statement of Total Return. Where there are no tenants in occupation the Fund will suffer certain nonrecoverable property deductible expenses, these are referred to as void costs and have been disclosed under expenses in the Statement of Total Return.

(l) Equalisation policy

The fund operates equalisation to ensure the level of distributable income for any share class is not affected by the issue or cancellation of shares.

(m) Critical Accounting Judgements and Estimation Uncertainty

During the preparation of the financial statements there is a requirement to use critical judgements, estimates and assumptions that affect the application of accounting policies and reported values of assets, liabilities, revenue and expenses. These will by definition not always equal the actual values, and may in some cases result in material adjustments in the following accounting year. The fair value of investment properties and the calculation of finance lease balances are examples where, due to their complexity, such judgements, assumptions and estimates have been utilised. Details of the key considerations involved are included within the accounting policies.

(n) Cash Flow Statement

In accordance with the requirements of FRS 102 and the SORP, a Cash Flow Statement has been provided as property investments are not deemed to satisfy the exemption criteria in FRS 102 of being highly liquid (see Note 12, Liquidity risk).

(o) Dilution Adjustment

In order to protect existing investors from the effects of dilution, property transaction costs (including SDRT, legal fees and other transaction costs) incurred as a result of investors buying and selling shares in the Fund are recovered from those investors through a 'dilution levy' applied to the price they pay or receive.

2 NET CAPITAL LOSSES

Net capital losses during the period comprise:

	2024 £000	2023 £000
Investments in direct properties	(14,851)	(113,646)
Net capital losses	(14,851)	(113,646)
The Investment in direct properties balances above includes:		
Realised losses*	(70,981)	(48,097)
Unrealised gains/(losses)*	56,130	(65,549)
	(14,851)	(113,646)

**Where realised losses include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).*

3 REVENUE

	2024 £000	2023 £000
Rental revenue	19,103	28,069
Service charge income	3,496	5,253
Other property income*	1,100	1,045
Bank interest	26	29
Interest on deposits	2,839	1,236
Total revenue	26,564	35,632

**Within other property income there are balances for insurance commission expense on related parties, please refer to note 10 for further detail.*

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2024 £000	2023 £000
No later than 1 year	16,087	15,484
Later than 1 year and no later than 5 years	47,687	42,842
Later than 5 years	47,766	51,520
	111,540	109,846

Contingent rents recognised as income were £54,576 in the year (2023: £171,813).

The Fund leases out its investment property under operating leases to a variety of tenants and over varying periods.

4 EXPENSES

	2024 £000	2023 £000
Payable to the ACD or associates of the ACD, and the agents of either of them:		
Annual management charge	(313)	(682)
Registration fees	(12)	(25)
	(325)	(707)
Payable to the depositary or associates of the depositary, and the agents of either of them:		
Depositary fees	(31)	(43)
Safe custody fees	(8)	(9)
	(39)	(52)
Other expenses:		
Audit fees**	(87)	(60)
Property deductible expenses***	(6,925)	(6,003)
Property non-deductible expenses	(218)	(287)
Service charge expense	(3,496)	(5,253)
VAT Recovered	11	14
	(10,715)	(11,589)
Total expenses*	(11,079)	(12,348)

The Fund has lease agreements in respect of its investment property for which the payments extend over a number of years. As at 15 May 2024, the future aggregate undiscounted lease payments under non-cancellable finance leases totalled £8,448,166 (2023: £9,667,942) of which £108,588 was due within one year (2023: £93,588).

**Including irrecoverable VAT where applicable.*

***The agreed audit fee is £72,293 (2023: £59,959) which includes £6,900 (2023: £6,814) for the Threadneedle UK Property Authorised Trust (Feeder trust). The fund also paid non audit services of £3,000.*

****Within Property deductible expenses there are balances for insurance commission revenue on related parties, please refer to note 10 for further detail.*

5 TAXATION

	2024 £000	2023 £000
a) Analysis of charge in period		
Total current tax (note 5b)	–	–
Total tax charge for the period	–	–
b) Factors affecting taxation charge for period		
Net revenue before taxation	15,485	23,284
Net revenue before taxation multiplied by the standard rate of corporation tax of 20% (2023: 20%)	(3,097)	(4,657)
Effects of:		
Revenue not subject to taxation	4,740	6,839
Interest distributions	573	253
Expenses not utilised	(2,216)	(2,435)
Current tax charge for period (note 5a)	–	–

6 DISTRIBUTIONS

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares and comprises:

	2024 £000	2023 £000
Interim	11,718	18,402
Final	3,813	4,868
	15,531	23,270
Add: Revenue deducted on the cancellation of shares	306	894
Deduct: Revenue received on the creation of shares	(39)	(198)
Net distribution for the period	15,798	23,966
Net revenue after taxation	15,485	23,284
Annual management charge to capital	313	682
Total distributions	15,798	23,966

Details of the distribution per share are set out in the table on pages 21 to 22.

Financial Statements

(continued)

Notes to the financial statements

(continued)

7 DEBTORS

	2024 £000	2023 £000
Amounts receivable for the issue of shares	33	188
Sales awaiting settlement	–	16
Lease incentives	1,484	1,679
Accrued revenue	230	230
Sundry property debtors	4,342	4,456
Recoverable VAT	277	488
Receivable from tenant rental deposits	1,754	1,677
Total debtors	8,120	8,734

8 CASH AND CASH EQUIVALENTS

	2024 £000	2023 £000
Cash and bank balances	26,359	64,793
Cash equivalents	36,630	43,320
Total cash and bank balances	62,989	108,113

9 OTHER CREDITORS

	2024 £000	2023 £000
Amounts payable for the cancellation of shares	(398)	(3,083)
Purchases awaiting settlement	–	(16)
Accrued expenses	(5)	(11)
Amounts payable to ACD	(11)	(50)
Accrued buying/selling costs	(196)	(583)
Other deposits	(986)	(481)
Rental revenue received in advance	(2,147)	(1,953)
Sundry property creditors*	(4,128)	(7,272)
Financing lease value	(2,051)	(1,853)
Payable for tenant rental deposits refundable	(1,754)	(1,677)
Total other creditors	(11,676)	(16,979)

**Within Sundry property creditors there are balances for net insurance commission amounts due on related parties, please refer to note 10 for further detail.*

The present value of the finance lease is as follows:

	2024 £000	2023 £000
Within 1 year	(109)	(94)
In 2 to 5 years	(242)	(220)
In over 5 years	(1,700)	(1,539)
Present value of finance lease liabilities	(2,051)	(1,853)

10 RELATED PARTY TRANSACTIONS

Threadneedle Investment Services Limited, as ACD, is a related party and acts as principal in respect of all transactions of shares in the fund.

The aggregate monies received through issues and paid on cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Any amounts due to or from Threadneedle Investment Services Limited at the end of the accounting period are disclosed in Notes 7 and 9.

Amounts payable to Threadneedle Investment Services Limited in respect of fund management and registration services are disclosed in Note 4 and amounts outstanding at the year end in Note 9. A balance of £11,039 (2023: £48,201), in respect of annual management service charge and £411 (2023: £1,808), in respect of registration fees are due at the end of the accounting period.

Amount payable to Threadneedle Property Investments Limited in respect of insurance commission revenue disclosed in note 3 £nil (2023: £nil), insurance commission expenses is disclosed in Note 4 for the value of £nil (2023: £172,304 amounts outstanding at the year-end in note 9 of value £Nil (2023: £220,815).

Amounts payable to Citibank Europe plc, a related party, in respect of depositary services and safe custody charges are disclosed in Note 9. A balance of £3,530 (2023: £4,191), in respect of depositary services and £1,071 (2023: £1,088), in respect of safe custody is due at the end of the accounting period.

All transactions have been entered into in the ordinary course of business on normal commercial terms.

The Feeder trust invests solely in the CT UK Property Authorised Investment Fund which is managed by Columbia Threadneedle, all transactions in respect of which are transacted with Threadneedle Investment Services Limited 100% (2023: 100%).

11 SHAREHOLDER FUNDS

CT UK Property Authorised Investment Fund currently has three share classes; Class 1, Class 2 and Class F shares. The charges on each share class are as follows:

Annual management charge	
Class 1 shares	1.45%
Class 2 shares	0.75%
Class F shares	0.00%
Registration fees	
Class 1 shares	0.050%
Class 2 shares	0.030%
Class F shares	0.000%

The net asset value of each share class, the net asset value per share, and the number of shares in each class are given in the comparative tables on pages 23 to 25. The distribution per share class is given in the distribution table on pages 21 to 22.

All classes have the same rights on winding up.

Reconciliation of shares

	2024
Class 1 – Net income shares	
Opening shares	728,700
Shares issued	3,764
Shares redeemed	(40,246)
Net conversions	(473,405)
Closing shares	218,813
Class 1 – Net accumulation shares	
Opening shares	8,114,525
Shares issued	223,402
Shares redeemed	(1,644,136)
Net conversions	(5,514)
Closing shares	6,688,277
Class 1 – Gross income shares	
Opening shares	387,187
Shares issued	6,484
Shares redeemed	(62,990)
Net conversions	–
Closing shares	330,681
Class 1 – Gross accumulation shares	
Opening shares	3,066,827
Shares issued	1,192,139
Shares redeemed	(1,964,384)
Net conversions	–
Closing shares	2,294,582
Class 2 – Net income shares	
Opening shares	14,305,974
Shares issued	287,732
Shares redeemed	(2,789,602)
Net conversions	361,466
Closing shares	12,165,570
Class 2 – Net accumulation shares	
Opening shares	4,164,747
Shares issued	111,702
Shares redeemed	(1,581,256)
Net conversions	(2,650)
Closing shares	2,692,543
Class 2 – Gross income shares	
Opening shares	9,208,873
Shares issued	926,911
Shares redeemed	(5,471,070)
Net conversions	45,678
Closing shares	4,710,392
Class 2 – Gross accumulation shares	
Opening shares	7,025,588
Shares issued	184,453
Shares redeemed	(2,861,693)
Net conversions	3,916
Closing shares	4,352,264

Financial Statements
(continued)

Notes to the financial statements
(continued)

	2024
Class F – Gross accumulation shares	
Opening shares	55,770,981
Shares issued	601,139
Shares redeemed	(7,902,524)
Net conversions	–
Closing shares	48,469,596

12 RISK MANAGEMENT

In pursuing its investment objectives set out on page 4, the Fund may hold the following financial instruments:

- Unregulated collective investment schemes of which a maximum of 20% of the value of the property of the Fund may be invested in any one trust within this range of investment Funds;
- Cash, liquid resources and short term debtors and creditors that arise directly from its operations;
- Shareholders' share which represent investors monies which are invested on their behalf;
- Borrowing used to finance investment activity; and
- Derivative transactions to manage the currency and market risks arising from the Fund's investment activities.

Throughout the period under review, it has been the policy of the Fund to buy and sell financial instruments for the purpose of investment rather than trading. The Fund's investment activities expose it to various types of risk associated with the property market. The Director uses a risk management process (RMP)*, as reviewed regularly and agreed with the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of the Fund's underlying investments, and their contribution to the overall risk profile of the funds.

The Director reviews (and agrees with the Depositary) policies for managing each of these risks as summarised below. The policies have remained unchanged since the Fund launch at the start of the period to which these financial statements relate. The principal risks associated with the Fund's investment activities are liquidity, market price risk and interest rate risk.

Liquidity

The Fund's assets comprise mainly freehold properties, which may not be readily saleable. Property is slow to transact in normal market conditions and hence illiquid. In poor market conditions it will take even longer to find a buyer to pay an acceptable price. The main liability of the Fund is the redemption of any shares that investors wish to sell.

The Manager may, with the prior agreement of the Depositary, and shall if the Depositary so requires, without prior notice to holders, temporarily suspend the issue, cancellation, sale and redemption of shares, due to exceptional circumstances, if it is in the interest of existing investors to do so. Suspension will continue only for so long as it is justified having regard to the interests of the shareholders.

The Fund's liquidity can be affected by unexpected or high levels of share redemptions.

Due to the illiquid nature of property and the time it can take to buy or sell assets, under normal circumstances and as per the Prospectus up to 25% of the Fund's assets may be held as cash however in practice the Fund is likely to hold between 5-15%. Holding high levels of cash will have an impact on the performance of the Fund and its distributable income until the excess cash is invested in property assets.

Property Liquidity Management Risk

Due to the illiquid nature of property and the time it can take to buy or sell assets, under normal circumstances up to 25% of the PAIF may be held in cash deposits. In exceptional circumstances, the level of cash held by the PAIF may be significantly higher. High levels of cash may also be held by the PAIF 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 PAIF and its distributable income until it is invested in property assets.

If a significant number of Shareholders withdraw their investment at the same time, the Investment Manager 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 shares in the Fund will be suspended if there is insufficient cash available to satisfy redemption requests, or could become necessary to balance the interests of continuing Shareholders with those seeking to redeem. The target liquidity (including cash, cash equivalents and debtors) of the PAIF is between 15% and 25% of Gross Asset Value (GAV). As of 15 May 2024, the cash level in the PAIF was 21% (2023: 31%).

Market price risk sensitivity

The sensitivity figures provided are forecasts. Market price risk arises from uncertainty about the future market prices of property. It represents the potential loss the Fund might suffer through holding properties in the face of market price movements.

The value of a property, except where it is bought or sold, is generally a matter of a valuer's opinion rather than fact and may go down as well as up. The simplest yardstick of property valuation is initial yield, which is current annual rent divided by the value of the property, including purchase costs. Property yields will fluctuate through time and may reflect the general economic cycle.

At any time, the market value of a property will, broadly reflect market expectations for rental growth. If an investment is made in the expectation that a certain level of rental growth will be achieved and that growth fails to materialise, then the returns from holding that property are likely to be lower than anticipated. Rental growth is affected by many things: general economic conditions, local trading conditions, relative scarcity of alternative space.

As an indication of market movements that could pose a risk to the fund holdings, the monthly rolling average capital value changes measured by the MSCI UK Monthly Property Index are used.

As at the end of April 2024, this was 0.08% (2023: 0.08%). A 5% market movement applied to the property market value of the PAIF as at 15 May 2024 would result in an increase or decrease on the net asset value of the PAIF by 3.95% (2023: 3.54%).

Leverage risk

As at 15 May 2024 there is no leverage in the fund (2023: Nil).

Currency exposure and sensitivity

There are no material assets denominated in currencies other than Sterling and as the Fund has no material currency exposure, no sensitivity analysis has been shown.

Interest rate risk

Cash balances are held in floating rate accounts where interest is calculated with reference to prevailing market rates.

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the fund's financial assets and financial liabilities at 15 May was:

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
Currency 2024	**£000**	**£000**	**£000**	**£000**
UK Sterling	26,359	–	270,217	296,576
Currency 2023	**£000**	**£000**	**£000**	**£000**
UK Sterling	108,024	–	240,995	349,019

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
Currency 2024	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(9,787)	(9,787)
Currency 2023	**£000**	**£000**	**£000**	**£000**
UK Sterling	–	–	(13,039)	(13,039)

Interest rate risk sensitivity

No sensitivity analysis shown as the Fund has minimal exposure to interest rate risk.

Any impact to the rate of the underlying securities is considered in market price risk section. There are no material amounts of non interest-bearing financial assets.

Derivative risks

Derivative risk arises from uncertainty about future market movements. This risk is managed by the policies shown within Market Price Risk. At the balance sheet date, no derivatives were held that could impact the Fund in a significant way.

13 FAIR VALUE DISCLOSURE

The fair value hierarchy is intended to prioritise the inputs that are used to measure the fair value of assets and liabilities. The fair value hierarchy has the following levels:

Level 1 – Quoted prices for identical instruments in active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Financial Statements

(continued)

Notes to the financial statements

(continued)

Level 2 – Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investments schemes.

Level 3 – Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

The assumptions and valuation techniques used for the Fund are discussed under the Investments accounting policy on page 26.

	2024		2023	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Valuation technique	**£000**	**£000**	**£000**	**£000**
Level 2*	36,630	–	43,320	–
	36,630	–	43,320	–

**The total value of investments in the portfolio statement includes the Cash Equivalents amount shown under current assets.*

14 CONTINGENT LIABILITIES AND COMMITMENTS

As at 15 May 2024 the fund had contingent liabilities and commitments outstanding of £8.2 million (2023: £4.8 million).

15 ANALYSIS OF CASH FROM OPERATIONS

	2024	2023
	£000	**£000**
Net revenue before taxation	15,485	23,284
Decrease in debtors	265	2,149
Decrease in creditors	(2,617)	(1,862)
Net cash inflow from operating activities	13,133	23,571

16 PORTFOLIO TRANSACTION COSTS

2024

	£000	% of Costs	% of Average Net Assets
Purchases			
Analysis of total purchase costs			
Non-Property purchases	39,810		
Property purchases in period before transaction costs	43,011		
Stamp duty	2,277	5.30	0.74
Legal	199	0.46	0.06
Agent	432	1.00	0.14
Survey fees	111	0.26	0.04
Total property purchase costs	3,019	7.02	0.98
Total purchases	**85,840**		

	£000	% of Costs	% of Average Net Assets
Sales			
Analysis of total sale costs			
Non-Property sales	46,500		
Property sales in period before transaction costs	45,678		
Legal	202	0.44	0.07
Agent	494	1.08	0.16
Other selling costs	932	2.04	0.30
	1,628	3.56	0.53
Total sales net of transaction costs	**90,550**		

2023

	£000	% of Costs	% of Average Net Assets
Purchases			
Non-Property purchases	43,306	–	–
There were no property purchases in the period			
Total purchases	**43,306**		

	£000	% of Costs	% of Average Net Assets
Sales			
Analysis of total sale costs			
Property sales in period before transaction costs	147,980		
Legal	529	0.36	0.12
Agent	1,483	1.00	0.35
	2,012	1.36	0.47
Total sales net of transaction costs	**145,968**		

Portfolio transaction costs are incurred by the fund when buying and selling underlying investments. These vary depending on the class of investment, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs: Property fee, Broker commissions, fees and taxes.

Indirect transaction costs: 'Dealing spread' – the difference between the buying and selling prices of the fund's underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive.

At the balance sheet date, the portfolio dealing spread was 0.00% (2023: 0.00%), being the difference between the respective buying and selling prices for the fund's investments.

17 RECONCILIATION OF CHANGE IN CASH AND CASH EQUIVALENTS

	2024	2023
	£000	**£000**
Cash and bank balances at the start of the year	64,793	45,085
Net cash flows	(38,434)	19,708
Cash and bank balances at the end of the year	26,359	64,793

18 INVESTMENT PROPERTIES

	2024	2023
	£000	**£000**
Opening balance	236,365	489,505
Additions	46,030	–
Disposal	(44,050)	(145,968)
Capital Expenditure	(3,830)	(3,781)
Financing lease value	2,051	1,853
Net losses on disposal	70,981	48,097
Net losses from fair value adjustment	(80,029)	(153,341)
Closing balance	227,518	236,365

The value of financing leases is shown in the Balance Sheet and consists of noncurrent assets of £1,942,209 (2023: £1,759,129) and current assets of £108,588 (2023: £93,588).

19 POST BALANCE SHEET EVENT

Since 15 May 2024 the Investment Manager has continued to assess and evaluate the property portfolio and to date the independent valuations have increased by 0.1% to end May, 0.1% to end June and a further increase of 0.6% to end July.

In July 2024 the Fund has also part sold one unit at West Quay Court in Sunderland. The sale price achieved was 14% higher than the year end valuation.

The table below shows net redemptions between the period-ended 15 May 2024 and 27 August 2024 as a percentage of the closing NAV for share classes with significant movements.

Class Name	% Movement
Class 2 – Gross accumulation shares	(10.31)

Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the Scheme

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook (COLL), as issued (and amended) by the Financial Conduct Authority (FCA), require the ACD to prepare financial statements for each annual accounting period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial position of the Scheme and its net revenue and the net gains on the property of the Scheme for the period. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by the Investment Management Association (IMA);
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records, which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in operation for the foreseeable future.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Collective Investment Schemes Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the CT UK Property Authorised Investment Fund (the Company) for the year ended 15 May 2024

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed and operated by the Authorised Corporate Director in accordance with the Financial Conduct Authority' Collective Investment Schemes Sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation, and the Prospectus, as appropriate, concerning: the pricing of and dealing in Shares in the Company; the application of income of the Company; and the investment portfolio and borrowing activities of the Company.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Depositary of the Company, based on information and explanations provided to us, we believe that, in all material respects, the Company, acting through the Authorised Corporate Director:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Sourcebook, and where applicable, the OEIC regulations, the Company's Instrument of Incorporation, and the Prospectus;

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company; and

(iii) has, otherwise, ensured the proper operation of the Company.

Citibank UK Limited
UK Branch

29 August 2024

Independent auditors' report to the Shareholders of CT UK Property Authorised Investment Fund

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of CT UK Property Authorised Investment Fund (the "Company"):

- give a true and fair view of the financial position of the Company and its sub-fund as at 15 May 2024 and of the net revenue and the net capital losses on the scheme property of the Company and its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

CT UK Property Authorised Investment Fund is an Open Ended Investment Company ('OEIC') with a single sub-fund. The financial statements of the Company comprise the financial statements of its sub-fund. We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 15 May 2024; the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders and Cash Flow Statement for the year then ended; the distribution table; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Financial Statements of the Scheme, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and its sub-fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or its sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Company and judgements and assumptions made by management in their significant accounting estimates. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;

Independent auditors' report to the Shareholders of CT UK Property Authorised Investment Fund

(continued)

- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of investment properties.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors

Edinburgh
29 August 2024

Shares Price Performance – Bid to Bid Basis (unaudited) (adjusted for net revenue)

for the period	1 May 2023 to 30 April 2024 %	1 May 2022 to 30 April 2023 %	1 May 2021 to 30 April 2022 %	1 May 2020 to 30 April 2021 %	1 May 2019 to 30 April 2020 %	1 May 2018 to 30 April 2019 %	1 May 2017 to 30 April 2018 %	1 May 2016 to 30 April 2017 %	1 May 2015 to 30 April 2016 %	since launch to 30 April 2024 %
Class 1 – Income shares	(1.38)	(19.84)	+13.15	(1.11)	(4.26)	(4.69)	+5.69	+0.24	+7.08	+0.12[§]
Class 1 – Accumulation shares	(1.44)	(19.90)	+13.10	(1.17)	(4.30)	(4.60)	+5.91	+0.35	+7.20	+0.20[§]
Class 1 – Gross income shares	(1.13)	(19.48)	+13.64	(0.62)	(3.61)	(4.15)	+6.37	+0.65[1]	-	(0.81)[1]
Class 1 – Gross accumulation shares	(1.25)	(19.50)	+13.59	(0.70)	(3.63)	(4.05)	+6.66	+0.78[1]	-	(0.81)[1]
Class 2 – Income shares	(0.82)	(19.36)	+13.83	(0.47)	(3.63)	(4.09)	+6.42	+0.90	+7.79	+0.81[*]
Class 2 – Accumulation shares	(0.88)	(19.42)	+13.79	(0.48)	(3.71)	(3.93)	+6.57	+0.96	+8.02	+0.87[*]
Class 2 – Gross income shares	(0.41)	(18.89)	+14.53	+0.17	(2.82)	(3.37)	+7.25	+1.45[1]	-	(0.03)[1]
Class 2 – Gross accumulation shares	(0.42)	(18.97)	+14.51	+0.08	(2.87)	(3.21)	+7.45	+1.59[1]	-	(0.01)[1]
Morningstar Median Performance	(0.82)	(12.66)	+13.70	(0.49)	(4.62)	+1.77	+5.57	+3.81	+6.60	+0.40[§]
(OEIC Benchmark for Real Estate Trusts)										+0.78[*]
										+0.80[1]

[§]Class 1 Income and Accumulation units commenced 19 February 2007
[*]Class 2 Income and Accumulation units commenced 8 October 2007
[1]Shares commenced 13 May 2016.
Source: Morningstar and Threadneedle. Bid to bid prices are quoted (i.e. not including any initial charge) with net income reinvested for the UK basic rate tax payer. Performance data is quoted in sterling. OEIC Benchmark for Real Estate Trusts refers to the IPD UK Monthly Index since 28 February 2007.

Shareholder Turnover (unaudited)

For the year ending 15 May 2024	Number of Shares	Net asset value of Shares as at year end	Percentage of total net asset value of the Fund as at start of year	Percentage of total net asset value of the Fund as at end of year
Creations	3,948,786	5,945,579	1.77	2.07
Redemptions	(24,799,468)	(56,173,981)	(16.72)	(19.59)

Share Analysis (unaudited)

As at 15 May 2024	Number of Shareholders	% of shares in issue
Less than 1% of Shares in issue	57	4.12%
1% or greater but less than 2%	3	3.54%
2% or greater but less than 4%	2	4.36%
4% or greater but less than 8%	2	11.12%
Greater than 8% of Shares in issue	3	76.86%
Grand Total	**67**	**100.00%**
Total Number of Shares in Issue		**81,922,720**
Internal Investors		**10.21%**
External Investors		**89.79%**
Total		**100.00%**
Largest Investor		59.17%
Largest 3 Investors		76.86%
Largest 5 Investors		87.98%
Largest 10 Investors		95.88%

Finance Costs: Distributions per Share (unaudited)

For the year ending 15 May 2024	Opening price (pence)	Closing price (pence)	Distribution accrued (pence)	Yield on closing NAV price (%)	Yield on closing price (%)
Class 1 – Income shares	53.14	50.28	2.34	4.99	4.65
Class 1 – Accumulation shares	106.00	105.40	4.82	4.84	4.57
Class 1 – Gross income shares	53.17	50.30	2.48	5.29	4.93
Class 1 – Gross accumulation shares	110.30	109.90	5.32	5.12	4.84
Class 2 – Income shares	62.63	59.68	2.70	4.85	4.52
Class 2 – Accumulation shares	121.10	121.10	5.37	4.69	4.43
Class 2 – Gross income shares	62.69	59.72	2.95	5.30	4.94
Class 2 – Gross accumulation shares	127.40	127.90	6.19	5.12	4.84
Class F – Gross accumulation shares	560.50	567.30	27.50	5.13	4.85

Important Information (unaudited)

General

CT UK Property Authorised Investment Fund is an Open Ended Investment Company ('OEIC') incorporated in England and Wales under registered number IC000976 and authorised by the FCA with effect from 11 October 2013 (the Company).

The Company is a non-UCITS retail scheme for the purposes of the FCA Rules, an alternative investment fund for the purposes of the AIFM Directive, and a standalone company for the purposes of the OEIC Regulations. At the date of this Prospectus, the Company qualifies as a PAIF and a FIIA (a fund investing in inherently illiquid assets, as defined in the FCA Coll Sourcebook).

The Company was launched on 14 May 2016 following the conversion of the Threadneedle UK Property Trust into the Company.

Revenue is distributed in relation to income shares following interim and annual allocation dates. For accumulation shares, the revenue is automatically reinvested (after expenses) following interim and annual allocation dates and is reflected in the price for each accumulation share.

The prospectus, which describes the Company in detail, is available on request from Threadneedle Investment Services Limited, SS&C Financial Services Europe Limited PO Box 10033, Chelmsford CM99 2AL, United Kingdom.

Non-UCITS Retail Scheme Key Investor Information (NURS-KII) – Subscription requirements

The NURS-KII is a pre-contractual document and investors have to confirm that they have read the latest NURS-KII before making a subscription. The Manager has the right to reject a subscription if the investor does not confirm that they have read the latest NURS-KII at the time of application. Investors can obtain the latest NURS-KII from columbiathreadneedle.com.

Changes to the Prospectus

The main changes to the Prospectus of the Company during the period from 16 May 2023 to 15 May 2024 were as follows:

- revision to the liquidity range;
- removal of COVID-19 risk warning.

Changes to the Instrument of Incorporation

There were no changes to the Instrument of Incorporation of the Company during the period from 16 May 2023 to 15 May 2024.

Changes to the Board of Directors of the ACD

During the period from 16 May 2023 to 15 May 2024 the following changes have been made to the Board of Directors of the ACD:

- Resignation of Julie Griffiths on 28 September 2023.
- Appointment of Rita Bajaj on 1 January 2024.
- Resignation of Laura Weatherup on 31 January 2024.

During the period from 16 May 2024 until the report was signed the following change has been made to the directors of the Manager:

- Appointment of Michael Fisher on 6 June 2024.

Significant/Global Events

Significant local, regional or global events such as terrorism, civil conflicts and war, natural disasters, disease/virus outbreaks and epidemics or other public health issues, recessions, depressions or other events – or the potential for such events – could have a significant negative impact on the global economic and market conditions. These and other related events could have a negative impact on Fund performance and the value of an investment in the Fund.

Value Assessment Report

As required by the FCA we have carried out an annual Value Assessment Report and this report is available on our website as follows:

https://www.columbiathreadneedle.co.uk/en/retl/value-assessment-report/

https://www.columbiathreadneedle.co.uk/en/intm/value-assessment-report/

https://www.columbiathreadneedle.co.uk/en/inst/value-assessment-report/

Task force on Climate-related Disclosures (TCFD)

TCFD information for the funds covered by this Report has been made available on the relevant Fund Details or Document Library pages of our website and can be found at www.columbiathreadneedle.com.

Characteristics of shares

Share Class	Minimum Investment	Minimum Additional Investment
Class 1 shares	£1,000	£1,000
Class 2 shares	£500,000	£25,000
Class F shares	£1,000,000	£1,000,000

Charges and Prices

There is no preliminary charge for the shares in the Company.

The fees and expenses of the Depositary, Registrars' fees, Auditors' fees and FCA authorisation fees are also payable by the Company.

Insurance commissions are payable to the ACD, whilst the Company is entitled to retain all management fees payable by tenants under service charges and landlords' licence fees for alterations, assignments and sub-lettings.

Prices and yields are quoted at columbiathreadneedle.com and the ACD will deal on normal business days. Shares are bought back at the bid price. A direct credit (BACS) transfer in settlement will normally be made within four working days of receipt by the ACD of a fully completed form of renunciation.

Information relating to the management of the Company, its fees and expenses, distribution policy, derivative exposure, valuations, investment and borrowing powers and the issue, redemption and switching of shares can be found in the current Prospectus.

Income Equalisation

Since the Company operates equalisation, the first allocation made after the acquisition of shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the shares were acquired (subject to grouping where appropriate) and represents a capital repayment for UK tax purposes which should be deducted form the cost of shares in arriving at any capital gain realised on their subsequent disposal.

Important Information (unaudited)

(continued)

Investor Reports

Annual long-form reports and the Financial Statements of the Company will be made available and published within four months of the close of each annual accounting period and half-yearly long report and financial statements will be published within two months of the close of each interim accounting period.

At the end of each reporting period the reports of the CT Property Authorised Trust and the Company are available on our website columbiathreadneedle.com and from Threadneedle Investment Services Limited, P.O. Box 10033, Chelmsford, Essex CM99 2AL.

The annual accounting period for the Company ends on 15 May and the interim reporting period ends on 15 November.

Individual Savings Accounts

Throughout the accounting period the Company has satisfied the requirements of the Individual Savings Account Regulations 1998 (as amended). It is the ACD's intention that the Company will be managed in such a way as to continue to meet this requirement.

Foreign Account Tax Compliance Act (FATCA)

Columbia Threadneedle Investments and its funds (Columbia Threadneedle) have registered with the US Internal Revenue Service in accordance with FATCA and other current related legislation. Columbia Threadneedle has put in place appropriate processes and procedures to maintain its compliance with the statutory requirements, including ensuring that Columbia Threadneedle obtain the required certification from its clients and investors as necessary to mitigate any requirement upon Columbia Threadneedle to withhold or report such clients under the legislation. This registration and compliance process will ensure that Columbia Threadneedle will not suffer withholding tax under FATCA.

Common reporting standard (CRS)

The Common Reporting Standard ('CRS') has come into effect in stages, starting from 1 January 2016, was developed by the Organisation for Economic Co-operation and Development ('OECD'). The CRS has been adopted in the UK by The International Tax Compliance Regulations 2015, and may require Columbia Threadneedle Investments' funds to report account holder information to HMRC about their unitholdings. HMRC will in turn pass this information onto the competent authorities with which it has an agreement.

Business Continuity Strategy

Columbia Threadneedle Investments has in place a business continuity and disaster recovery plan to enable swift recovery and resumption of normal operations following an incident. Regular exercises of this plan are held at third party recovery sites in both London and Farnborough and attended by critical staff. These exercises are externally audited.

AIFMD Remuneration Disclosures

This disclosure is made in respect of the Group's Remuneration Policy as it applies to Threadneedle Investment Services Limited ("the Manager") in respect of the Alternative Investment Fund Managers Directive ("AIFMD") and other applicable rules and guidance.

The Remuneration Policy applies to all of the Company's subsidiary entities, to which the AIFMD requirements apply, and was last approved by the Remuneration Committee in June 2023.

1. The Remuneration Committee

The Remuneration Committee of the UK HoldCo ("the Committee") is a sub-committee of the UK HoldCo Board with the responsibility to establish the philosophy and objectives that will govern the Group's compensation and benefit programmes; review and approve compensation and benefit plans, policies, and practices; and oversee and approve the Group's remuneration. It has been determined to be independent of the day-to-day executive management of the Group, its Members being Directors of the Group or senior members of the Executive Leadership Team of Ameriprise Financial, the Group's parent company, all of whom do not hold executive positions for the UK HoldCo.

Current Committee Members are Mr Walter Berman, Mr William Turner and Ms Kelli Hunter Petruzillo. Meetings are normally held in January, March, June, September and December. The Global Head of Compensation Consulting and Operations acts as Secretary to the Committee. The Committee may invite the attendance of any Group employee or functional expert from the parent company as deemed appropriate, to allow it to fulfil its responsibilities including ensuring remuneration is consistent with effective risk management and does not encourage excessive risk taking.

2. Determining Incentive Remuneration Pools

The Manager made its annual Total Incentive Award decisions from separate pools covering the Real Estate business, Distribution unit, Investments business and Support functions, ultimately aggregated for governance and oversight at the EMEA regional level. Those pools are determined at the final discretion of the Remuneration Committee with reference to four un-weighted factors being a 'Top-Down' assessment of market practice, legal and regulatory requirements and any other internal or external contextual factors; a 'Bottom-Up' calculation based on business performance against Plan and Target Incentive level for the firm (see 'Pay for Performance' below); the overall financial and strategic performance of the Group; and the financial and strategic performance of Ameriprise Financial as the Group's parent company and shareholder. The Committee also receives ongoing reports through the year from the Risk function regarding risk assessments and any themes or areas of note related to risk control or risk-related behavioural concerns.

The Committee takes all of these factors into account in order to make a balanced decision on the Total Incentive pool for the year in question.

3. Determining Individual Total Incentive Awards

Individual reward decisions are wholly discretionary, although strongly informed by the annual performance appraisal and by known market remuneration levels for equivalent jobs as well as by the pool funding available. Risk and Compliance provide a critical input to final performance rating setting, ensuring that any risk and relevant behavioural concerns are reflected in performance appraisals and subsequently in remuneration recommendations. The Heads of Risk and Compliance also report directly to the final Remuneration Committee of the award process to ensure that the Committee receives a direct report on which to base its final risk adjustment decisions.

Base salaries are maintained at a market-competitive level in order to ensure that, if required, it is possible to award zero incentive.

Pay for Performance

The bottom-up element of the incentive pool determination process measures team and wider business performance against key business targets for each area of the Group, including longer-term investment performance for the Investments and Real Estate divisions and a mix of gross and net sales for Distribution. Investment performance is assessed against each fund's

Important Information (unaudited)

(continued)

benchmarks and its risk profile. All such assessments' impacts on the bottom-up calculation are capped so as not to incentivise managers to take excessive risk in order to deliver higher incentive pools. While the Group and parent company financial and strategic results are important factors in pool determination, the model is set up to ensure that delivery of the business' core goals, including delivering investment performance to its customers, is an explicit and significant driver in pool determination for those divisions.

Individual discretionary awards from the available funding, in context of market-competitive reward levels for the job in question, are driven strongly by each individual's ratings against Goals (objectives) and the Group's Values, each of which is separately rated on a 5-point scale to ensure the Values assessment is given due prominence. Goals focus on the key deliverables for the role that year, in particular on the delivery of investment performance for Investments employees and for the Real Estate division: all employees are also managed against a mandatory Risk Management Goal. Investment performance, where relevant to the role, is assessed against each fund's benchmark and its risk profile.

Ratings are consistency-checked across the business with the input of the Heads of Risk and Compliance to ensure balance and due reflection of risk management. For Sales, Real Estate and Investments incentives there is no pre-determined grid or formula driving awards, which are discretionary in order to be able to account for and reflect all relevant factors.

Delivery of Total Incentives

Columbia Threadneedle Investments believes that deferred awards for higher earners and risk-takers are a matter of good practice and an important part of aligning key staff's interests with the long-term interests of customers and shareholders. To that end, Total Incentive awards for all employees in the Group may be delivered partly in deferred awards through the Ameriprise Financial Long-Term Incentive Award ("LTIA") programme and, for Code Staff/Identified Staff and those in the Investments division, through a fund deferral programme.

Staff qualifying as Code Staff/ Identified employees and those of a comparable level of seniority are subject to a higher rate of deferral. 50% of the overall incentive award is delivered in fund-linked units subject to a holding period after delivery. The fund linked units are designed to reflect the performance of a cross section of products and asset classes within the region.

4. Identified Staff

The Manager defines its Code Staff/ Identified Staff in line with the definitions provided by SYSC 19B and associated guidance. Those Identified Staff are the senior management, risk takers, control functions and other employees whose total remuneration takes them in to the same bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or of the funds it manages. In practice, that includes the named Fund Managers of the Manager's fund.

5. Remuneration Payment Disclosure

The AIFM's performance periods for remuneration operate on a calendar year basis.

Total Remuneration paid by the Manager to 19 AIFM Remuneration Code Staff Senior Managers in respect of its AIFM activities in the 2023 performance year was £0.72m, of which £0.25m was fixed and £0.47m was variable. Total Remuneration paid to other members of AIFM Remuneration Code Staff whose actions had a material impact on the risk profile of the AIFM in respect of AIFM activities was £1.27m, of which £0.57m was fixed and £0.70m was variable.

Key principles

Investing responsibly has been a core part of the Fund's investment approach for many years, consistent both with Columbia Threadneedle Investments' corporate responsibilities and the activities being undertaken within the investment portfolio.

As a responsible business, Columbia Threadneedle Investments aims to deliver positive outcomes that meet the needs of our stakeholders, and we commit to always act responsibly, transparently and in the best interests of those who trust us to manage their investments.

As a responsible investor in real estate, we strive to be responsible stewards of our clients, assets, and we manage those assets in accordance with longstanding ESG principles, enshrined within our UK Real Estate ESG Policy Statement and Refurbishment Guide.

We believe ESG is everyone's responsibility, and ESG principles are embedded within our investment, asset management, refurbishment and property management processes.

Finally, and perhaps most importantly, we believe investing responsibly is complementary to our funds' financial objectives, and our active management bias provides the best potential to voluntarily deliver positive environmental and social outcomes alongside financial performance.

Responsible Investment Approach

- In order to achieve net zero operational carbon emissions from its property portfolio by 2050 or sooner, the Investment Advisor aims to create sustainable property assets that are environmentally optimized by promoting environmental characteristics through asset selection and active asset management.
- In particular, the Fund has and will continue to (1) improve the environmental performance potential of its property assets, and (2) lower the energy use and carbon intensity of its property assets.

Reporting: An Evolving Approach

In 2020 the Investment Advisor committed to align its strategic UK real estate sustainability objectives to the UN Sustainable Development Goals (SDGs) where it was appropriate to do so, through our ESG Policy Statement.

In 2021 a Sustainability Dashboard was introduced to track the Fund's progress against the core metrics set out in the ESG Policy Statement, to enable reporting in a robust, transparent and comparable manner.

Effective 1 May 2023, the Manager and the Investment Advisor formally measure the following sustainability indicators:

- Energy Performance Certificates;
- Energy consumption / intensity, and;
- Greenhouse gas (GHG) emissions / carbon footprint.

Finally, in line with the Investment Advisors ESG Policy, the Trust discloses:

- Water and waste coverage;
- Climate resilience (flood risk).

Important Information (unaudited)

(continued)

Over the course of 2023, the Sustainability Dashboard evolved to differentiate between measures monitored quarterly and those which are tracked annually. Please note the methodology used in the aggregation and presentation of this data may differ from that required under the regulations illustrated above. Outputs required under those regulations are set out later in this report. Please note that these are voluntary KPIs which the Trust is not mandated to report. Equally, an evaluation of performance is not undertaken against these metrics. However, the Investment Advisor considers it good practice to report this information.

Policy Statement objective	Key performance metrics (LL portfolio: 2030 targets against 2019 baseline)	Core data metrics (Whole portfolio)	Year to 31 Dec 2021	2022	2023
Build resilient infrastructure Improve energy performance potential	**Target EPC 'B'** Interim MEES target EPC 'C' by 2027	Whole portfolio coverage*	99.7%	99.8%	95.1%
		% Portfolio rated A-B	25.1%	26.6%	26.5%
Energy Reduce energy consumption	Target 20% reduction in energy use	Whole portfolio coverage*	83.7%	81.1%	83.9%
		Energy consumption L-f-L / Y-on-Y**	+1.6	-3.2%	-8.4%
Carbon & Climate Limit climate impact	**Target 30% reduction in GHG emissions** Interim target 15% reduction by 2025	Whole portfolio coverage*	83.7%	81.1%	83.9%
		GHG emissions L-f-L / Y-on-Y**	+3.0%	-9.6%	-3.6%
Water Increase water efficiency	**Target 100% data coverage; implement portfolio-wide water reduction strategy**	Whole portfolio coverage*	50.2%	60.5%	32.1%
		Water consumption L-f-L / Y-on-Y***	-61.9%	+65.4%	-47.6%***
Waste Reduce waste generation	**Target 100% diversion of waste to landfill Target 75% recycling rate**	Whole portfolio coverage*	27.8%	37.4%	47.7%
		Waste consumption L-f-L / Y-on-Y**	+35.0%	+0.7%	+1.5%
Carbon & Climate Monitor climate resilience	**Monitor and report flood risk annually** Physical Risk Screening also undertaken from 2021	Whole portfolio coverage****	100%	100%	100%
		High / extreme risk assets****	2.7%	3.6%	1.7%

Source: Columbia Threadneedle Investments, as at 31 December 2023. All targets relate to assets where we have operational control (the 'landlord managed portfolio'). Breakdown of landlord-managed and FRI assets contained within data tables. Targets are indicative and are in no way a guarantee of performance. *Portfolio coverage expressed as % floor area (EPCs by % of ERV) **L-f-L / Y-on-Y denotes a comparison between landlord procured data from non-FRI standing investments held for the full period of both the current and previous reporting years *** Significant decrease in water consumption attributable to reduced like-for-like data coverage between 2023 and 2022, compared to 2022 and 2021. ****Flood risk coverage and risk rating expressed as % property portfolio value. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only.

ESG Highlights

EPC performance

While not a measure of actual energy performance, EPCs continue to provide a useful proxy of energy performance potential, and therefore as part of the Investment Advisors commitment to build and maintain resilient real estate, the Fund tracks and monitors portfolio coverage, and the number and impact of its refurbishments on energy performance potential.

The following chart illustrates the EPC performance delivered by the Fund since formalised recording began in 2019:

EPC Rating	31 December 2019	31 December 2020	31 December 2021	31 December 2022	31 December 2023
Whole Portfolio Coverage	98.5%	99.2%	99.7%	99.7%	97.6%
% Portfolio Rated A- B	10.1%	11.5%	17.5%	23.6%	27.6%
% Portfolio Rated C	32.8%	34.7%	39.5%	38.6%	57.81%
% Portfolio Rated D	37.2%	30.0%	29.9%	28.3%	13.0%
% Portfolio Rated E	15.4%	10.0%	11.0%	7.6%	2.0%
% Portfolio Rated F-G	4.5%	1.7%	0.9%	1.0%	0.0%

Source: Columbia Threadneedle Investments. EPC portfolio coverage as % of ERV, as at 31 December 2023. Targets are indicative and are in no way a guarantee of performance. Sustainability risks are integrated into the fund's investment decisions making process for financial Risk Management purposes only.

Important Information (unaudited)

(continued)

Fund Highlights

George Yard, Braintree

In 2023, the team at George Yard shopping centre worked collaboratively with tenants, the local authority, and community charities to implement a multifaceted program aimed at reducing energy consumption, boosting recycling, enhancing efficiency and safety, and promoting social responsibility and community engagement.

Key successes from this multi-faceted approach included:

- **Energy Efficiency and Safety:** A 29% reduction in energy consumption through instalment of LED lighting replacements and automated lighting controls, also resulting in no reported incidents in the 15 months post-installation compared to several accidents in the prior 12 months.
- **Waste Management and Recycling:** On-site recycling rate increased from an average of 47% in 2021 to 63% in 2022, and further to 82% in 2023, through improvements to the centre's recycling infrastructure and tenant education.
- **Community Outreach and Social Responsibility:** Offering free community space to local businesses and stakeholders, such as for hosting a community showcase in January 2023, which 18 organisations attended, resulting in over 860 engagements. The centre's efforts were recognized by The Green Organisation, with an International CSR Excellence Award presented at St Paul's Cathedral, London, in June 2023.
- **Health and Well-being:** Numerous health and well-being initiatives were introduced in 2023, such as reintroducing live plants, using a mix of local, sustainable suppliers for hanging baskets and installing water butts to collect rainwater for watering the plants.

Community Outreach

15-25 Red Street, Carmarthen

In 2023, the team at 15-25 Red Street, Carmarthen established an innovative partnership with Climate Emergency Centres to provide premises for an environmental education centre focused on community outreach. They entered into a unique lease arrangement where the tenant paid no rent. Instead, the fund received a donation reflecting a portion of the cost savings generated, as well as contributions to running costs.

The tenant operated a centre with the mission of promoting environmental education and supporting grassroots community initiatives related to sustainability and climate action. By enabling this community-centric environmental learning hub, the partnership exemplified a creative approach to utilizing commercial space to generate positive social impact. The initiative demonstrated the property's commitment to environmental and social sustainability, while strengthening community ties.

Regulatory update

Environmental legislation within the UK and European Union has evolved significantly over the past few years, placing Managers under an increasing regulatory burden. The Fund monitors environmental legislation in the UK and EU for applicability, and where appropriate, adheres to any requirements as established under the corresponding legislations. Some examples include, but are not limited to:

1. **MEES:** The Minimum Energy Efficiency Standards ("MEES") make it unlawful for a landlord to grant a new tenancy or to extend or renew an existing tenancy of certain property having an EPC rating of F or G. From 01 April 2023, the scope of MEES extends to existing tenancies of most commercial property and will restrict a landlord's ability to continue to let property with an F or G rating. MEES will also see a phased implementation of the EPC 'B' by 2030 requirement, with EPC 'C' by 2027 set as an interim milestone. This phased implementation will be based on two-year compliance windows. The first compliance window (EPC 'C') will run from 2025-2027 and the second window (EPC 'B') from 2028-2030.

2. **SECR:** The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, also referred to as Streamlined Energy and Carbon Reporting ("SECR"), requires all quoted companies, "large" unquoted companies and LLPs to report their UK energy use, associated Scope 1 & 2 emissions, an intensity metric and, where applicable, global energy use in their Annual Reports. In addition, businesses will be required to provide a narrative on energy efficiency actions taken in the previous financial year.

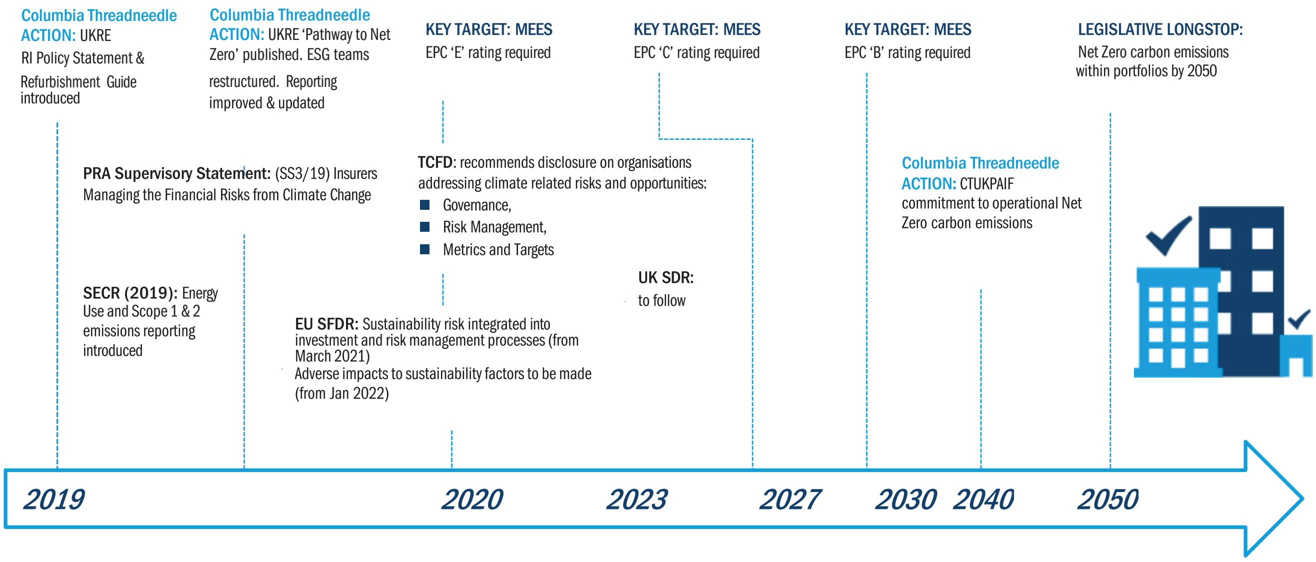
3. **TCFD:** Reporting in accordance with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations is undertaken as part of Columbia Threadneedle Investments' corporate disclosures, issued annually by 30th June, as mandated by the Financial Conduct Authority's (FCA).

Important Information (unaudited)

(continued)

4. **SDR:** From 31st May 2024, the UK Government's Sustainability Disclosure Framework (SDR) comes into effect. Based on a similar structure to the EU's SFDR, it provides four formal investment product labels, which distinguish between different types of investment product based on their sustainability-related objectives and features. An additional 'anti-greenwashing rule' will also apply to all firms, regardless of whether they are captured by the FCA's SDR regulations (currently only firms managing a UK UCITS or UK AIF). The new anti-greenwashing rules primarily apply to any communications relating to financial products or services, comprising environmental and/or social characteristics. As such, a review of the FCA's Guidance on the Anti-Greenwashing Rule (FG24/3) is underway to the Fund is not exposed to any potential non-compliance (where and if applicable to the Fund's investments).

June 2019: UK becomes first major economy to pass laws to end its contribution to global warming by 2050



Source: Columbia Threadneedle Investments, as at 31 December 2022.

Regulatory reporting summary

Energy consumption (SECR)

Under the SECR reporting framework methodology, overall energy consumption decreased by 7.3% (2022 decrease 11.5%) on a like-for-like basis between 1 January 2023 and 31 December 2023. Like-for-like electricity consumption decreased by 7.2% (2022 decrease 7.2%) whilst fuel (gas) consumption decreased by 32.7% (2022 decrease 19.2%).

Like-for-like energy consumption increased on average across the Fund's mixed-use and high-street retail assets, however this was more than offset by energy consumption decreases across the Fund's other sectors, including industrial warehouses, business parks and offices.

Greenhouse gas (GHG) emissions (SECR)

Under the SECR reporting framework methodology, overall greenhouse gas (GHG) emissions decreased by 0.7% (2022 decrease 16.5%) on a like-for-like basis between 1 January 2023 to 31 December 2023. Like-for-like Scope 1 (gas) emissions decreased by 32.5% (2022 decrease 19.5%) and Scope 2 (electricity) emissions increase by 0.6% (2022 decrease 15.1%).

Summary of absolute energy and greenhouse gas (GHG) emissions for CTUKPAIF's SECR

GHG Scope	Jan 2022 – Dec 2022		Jan 2023 – Dec 2023	
	Absolute Energy	Absolute Tonnes of Carbon Dioxide Equivalent (tCO2e)	Absolute Energy Use (kWh)	Absolute Tonnes of Carbon Dioxide Equivalent (tCO2e)
Gas / Scope 1	2,291,472	418	918,789	168
Electricity / Scope 2	5,464,657	1,057	3,137,708	650
Total	**7,756,129**	**1,475**	**4,056,496**	**818**

Important Information (unaudited)

(continued)

The following table represents a summary of metrics related to the Fund, as defined by the TCFD*:

Reporting Period	Carbon Footprint (tCO2e / £M portfolio value)		Weighted Average Carbon Intensity (tCO2e / £M revenue)		Scope 1 & 2 Data Coverage (Portfolio Market Value) (of which Actual / Proxy)			Scope 3 Data Coverage (Portfolio Market Value) (of which Actual / Proxy)		
12-months ending	Scopes 1-2	Scope 3	Scopes 1-2	Scope 3	Coverage (%)	(Actual)	(Proxy)	Coverage (%)	(Actual)	(Proxy)
31 Dec 2022	11.6	38.5	161.6	506.6*	84.8%	76.9%	23.1%	47.3%	50.2%	49.8%
31 Dec 2023	10.7	9.37	102.4	102.8	49.1%	12.6%	87.4%	45.1%	20.4%	79.6%

* The provision of product-level TCFD performance metrics is voluntary and the Trust is not mandated to do so, nor is any evaluation of performance undertaken against these metrics

Climate resilience

The Fund monitors property flood risk on an annual basis as a proxy for exposure to the effects of global warming. The below analysis shows the evolution of the flood risk associated with the Fund's directly held property assets:

Portfolio risk exposure by value	31 December 2021	31 December 2022	31 December 2023
Property assets	69	49	34
Low	52 (73%)	37 (75%)	25 (76.3%)
Medium	13 (24%)	9 (21%)	8 (22.0%)
High	4 (3%)	3 (4%)	1 (1.7%)
Extreme	0 (0%)	0 (0%)	0 (0%)

Source: Columbia Threadneedle Investments, as at 31 December 2023. All data as at 31 December. Figures in brackets denote % of fund value.

GRESB

2023 marked the seventh year of the CTUKPAIF's submission to GRESB, and we are pleased to report a score of 72/100 was achieved, just under the peer average of 73/100, and ranking the fund 72nd within its peer group of 113 funds.

The Fund's continued strong performance is especially impressive considering the scoring weighting attributed to building certification, which is inconsistent with the Fund's high number of assets and its preference to invest capital into initiatives which will deliver building improvements, as opposed to certifying them.

Net Zero

Decarbonisation remains one of the most significant challenges affecting the global economy, and society more broadly. Lowering carbon intensity is of paramount importance to deliver against legislative, social and, by implication and in practice, financial performance aspirations.

The Fund's approach to decarbonizing its portfolio was reviewed in early 2024 based on 2022 energy consumption, serving as a follow up to the initial targets set out in the December 2022 Annual Report.

The figure and table below illustrate the projected change in carbon intensity for the Fund in the years to 2050. Under the baseline scenario carbon emissions for the portfolio are expected to fall gradually alongside the decarbonization of the grid.

Target (from 2023 baseline)	Minimum CRREM % Reduction	Target % Reduction	Annualised Average % Reduction	Average Annual CAPEX Investment Required
2030 Energy Intensity Reduction Target	33%	53%	6.6% (2023 – 2030)	£2.33m (2024-2030)
2030 Carbon Intensity Reduction Target	50%	74%	9.25% (2023 – 2030)	
2040 Energy Intensity Reduction Target	53%	62%	0.9% (2031 – 2040)	£0.27m (2031-2040)
2040 Carbon Intensity Reduction Target	92%	93%	1.9% (2031 – 2040)	
2050 Energy Intensity Reduction Target	53%	63%	0.1% (2041 – 2050)	£0.13m (2041-2050)
2050 Carbon Intensity Reduction Target	99%	98%	0.5% (2041 – 2050)	

Important Information (unaudited)

(continued)

The updated 2023 pathways showed that as the target year for decarbonisation was postponed, the offsetting costs to align with the science-based target trajectory rise. The results of the analysis reveal a clear alignment between financial and environmental best practice. In like-for-like monetary terms, EVORA estimated the financial cost of achieving net zero carbon emissions, from the portfolio as at 31 December 2023, to be £20.5m under the 2030 pathway, rising to £26.0m under the 2040 pathway and £27.0m under the 2050 pathway. These figures represent a reduction in estimated costs from the 2022 analysis, dropping from a total of £33.9m under the former 2050 pathway. The differences are mainly caused by the decrease in floor area between the analysis and number of assets in the fund over this period – the fund has decreased by floor area by 72% between January 2019 to December 2023.

Commitment to 2050

Reflective of that financial and environmental analysis undertaken, the Investment Advisor and the Manager have committed the Fund to achieve operational net zero carbon emissions from its investment portfolio by 2050 or sooner.

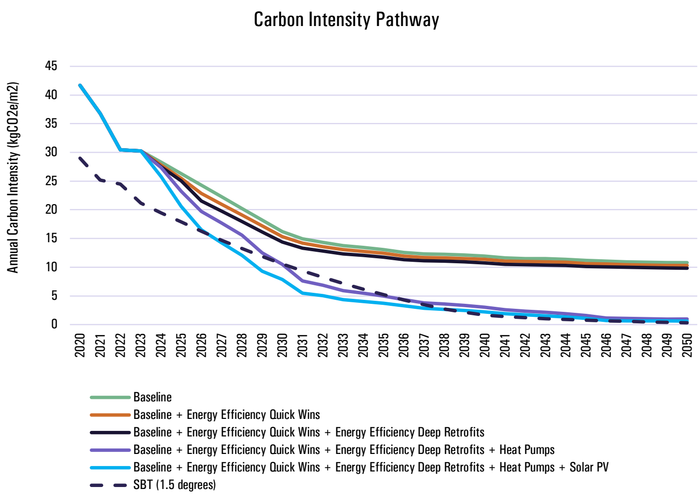
Pathway update

In 2024 (referred to as the 2023 pathway) the Fund's pathway was revised following the latest CRREM dataset, which was aligned with the Science-Based Targets Initiative (SBTi) at the beginning of 2023. This means that, although the same energy consumption data was used, changes in carbon intensity will be seen between the 2021, 2022, and 2023 pathway reports.

At a more practical level, findings from property-level audit programme have been introduced to inform updates to the energy savings potential of intervention measures, and these are now reflected in the 2023 pathway. Finally, differences between the two pathways reflect sales made from the portfolio between the reporting dates.

The key findings of the 2023 pathway are shown below.

Portfolio Carbon Intensity, 2024 Net Zero Pathway



Source: EVORA CTI CTUKPAIF Fund Decarbonisation Pathway Update, March 2024.

Total CAPEX to 2050	October 2021 Estimation	2024 Updated Report
Quick Wins	£3.0m	£3.9m
Deep Retrofits	£37.3m	
Electrification Of Heat	£49.9m	£12.0m
Renewables (PV)	£16.2m	£11.1m
Total	£106m	£27.0m
CAPEX per sqft (£/sqft)	£12.5	£12.0
% of GAV (Total)	10.7%	13.6%

Important Information (unaudited)

(continued)

Key Risks of the Company

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

Property Liquidity Risk: It may be difficult or impossible to realise assets of the Company because the underlying property may not be readily saleable.

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. Should the Standing Independent Valuer express material uncertainty regarding the value of one or more immovables under management and that material uncertainty applies to 20% or more of the value of the Company, it may be necessary to temporarily suspend dealing.

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

Property Liquidity Management (formerly uninvested cash risk): 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 Company and its distributable income until it is invested in property assets. If a significant number of shareholders withdraw their investment at the same time, the fund manager 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 shares in the Company will be suspended if there is insufficient cash available to satisfy sale requests, or could become necessary to balance the interests of continuing shareholders with those seeking to redeem.

Effect of Dual Pricing (Property): As the Company is dual priced, there is a price to buy shares and a lower price to sell them. The difference between the two is known as the 'spread'. This Company's spread reflects the transaction costs of buying and selling commercial property, and other assets. The spread can change at any time and by any amount. The Spread for this Company is likely to be larger than for funds investing in assets other than commercial property. Consequently, there is a higher possibility of an investment being worth less than when invested, especially in the early years.

Directory

Management and Administration

The Company and Head Office
CT UK Property Authorised Investment Fund
Cannon Place
78 Cannon Street
London EC4N 6AG

Authorised Corporate Director (ACD) and Alternative Investment Fund Manager (AIFM)
Threadneedle Investment Services Limited
Registered Address and Head Office:
Cannon Place
78 Cannon Street
London EC4N 6AG

Registrar
Threadneedle Investment Services Limited
Delegated to:
SS&C Financial Services Europe Limited
(Authorised and regulated by the Financial Conduct Authority (FCA))
St Nicholas Lane
Basildon
Essex SS15 5FS

ACD Client Services Department
Threadneedle Investment Services Limited
PO Box 10033 Chelmsford Essex CM99 2AL
Telephone (dealing & customer enquiries): 0800 953 0134*
Fax (dealing): 0845 113 0274
Email (enquiries): questions@service.columbiathreadneedle.co.uk

Investment Manager
Threadneedle Asset Management Limited
Cannon Place
78 Cannon Street
London EC4N 6AG

Depositary
Citibank UK Limited
(Authorised by the Prudential Regulatory Authority (PRA)
and regulated by the FCA and PRA)
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Legal Advisers
Eversheds Sutherland (International) LLP
One Wood Street
London EC2V 7WS

Independent Auditor
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Standing Independent Valuers
CBRE Limited
Kingsley House
Wimpole Street
London W1G 0RE

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