

CT Property Growth & Income Fund Property with liquid benefits

Rethinking property:
why a hybrid
approach
makes sense





Our hybrid CT Property Growth & Income Fund is designed to give investors the best attributes of property investment whilst avoiding some of the negative aspects.

Rethinking property: why a hybrid approach makes sense

For those seeking enhanced liquidity, we believe a hybrid approach can offer property's best attributes, gaining exposure to a broad range of property sub-sectors through real estate equities whilst avoiding the liquidity issues around bricks and mortar portfolios.



Avoid the liquidity trap

Physical property's illiquidity means there are question marks over some fund structures. By complementing physical property with readily traded real estate securities, the CT Property Growth & Income Fund offers investors the liquidity they seek.



Reduce cash drag

High costs and practical realities lead to higher cash balances in many physical funds. Investing in listed real estate means the portfolio can remain more fully invested, countering cash drag and helping investors maintain broader portfolio asset allocations.



(More) active management

The hybrid structure brings more active tools into play. For physical assets that means purchases/sales, redevelopment and lease management. Within the equity component, stock selection and both sub-sector and geographic allocations are actively managed.



Location, location, location

Adding real estate securities dramatically increases the fund's reach and diversification via quality businesses across many sub-sectors and geographies. We're hands-on building owners – our properties need to be located where there are strong supply/demand characteristics.

Gerhofstraße 10–12, Hamburg, Germany

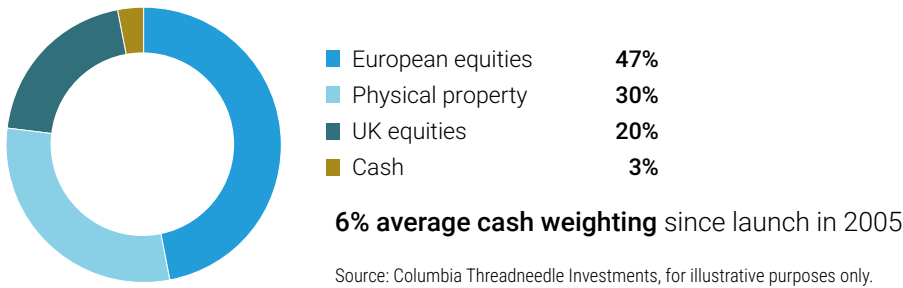
5 days to sell **84%**
of the equity portfolio*

*positions based on trading 30% of the 20-day average volume.

An innovative hybrid portfolio

The CT Property Growth & Income Fund comprises physical property assets and real estate securities. We believe that our approach gives investors the best attributes of property investment whilst avoiding some of the negative aspects associated with investing purely in physical or listed property assets.

Typical asset allocation



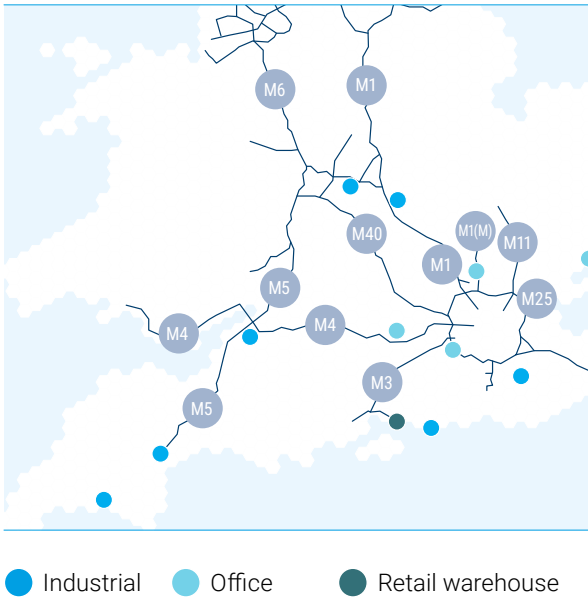
Our hybrid structure allows us to tap into the yield advantages of physical UK commercial property whilst simultaneously targeting selected European property sub-markets through our focused equity portfolio.

Marcus Phayre-Mudge, Fund Manager

Our properties

Targeting areas with strong economic characteristics and an emphasis on office and industrial properties.

Zero high street retail exposure



UK direct property – our approach and buildings

We target UK commercial properties typically in the £2-10m price range – a market segment offering broad choice and clear differentiation from the bigger assets favoured by larger funds.

We focus on higher-yielding assets with average lease length of five years. We are hands-on owners with an active approach to property and tenant management.

Average lot price

£4.5m

As at 17 February 2025



Colchester



Hatfield



Exeter



Gravesend



Reading



Plymouth

Gravesend industrial estate
(above) Bought in 2015 for £3.3m and sold in 2024 for

£6.1m

Key facts

Invests in:	UK commercial property and Pan European property related equities
Launch:	30 January 2005
Structure:	OEIC (non-UCITS)
Benchmark:	(50%) IPD Monthly Balanced and (50%) FTSE EPRA/NAREIT European ex-UK Net Index (Total Return, Sterling hedged)
Sector:	IA Property
Dividends:	Quarterly
Sedol and ISIN (I Inc shares):	BQWJ879 GB00BQWJ8794
Availability:	Most platforms – contact us for details

Property investment requires in-depth local understanding. We only invest in areas we know well and are ‘hands-on’ to ensure that we get the very best returns from our buildings.

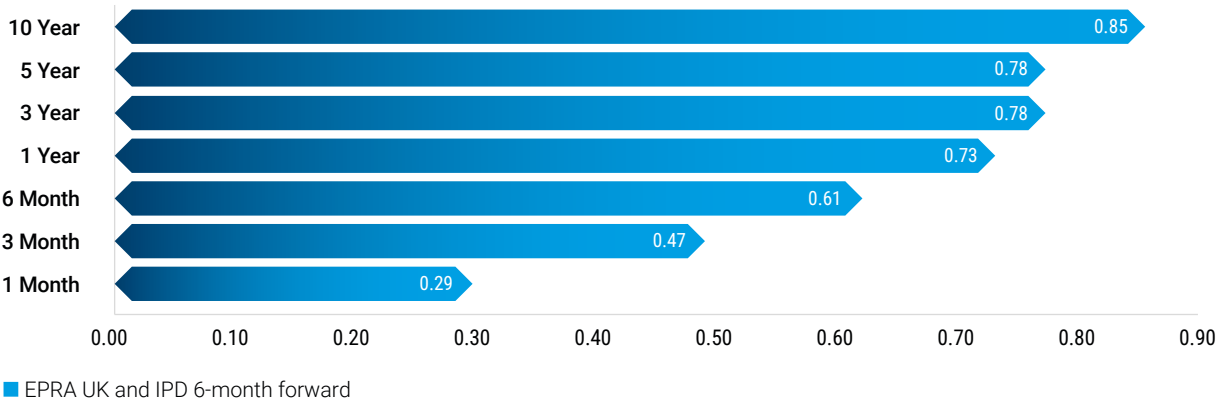
George Gay, Fund Manager

Pan European real estate securities – a diverse and liquid opportunity set

Real estate securities = real property

‘Indirect’ real estate investment through the shares of property-related companies affords the portfolio a number of liquidity, diversification and active investment related benefits. In the short term, listed real estate can be more volatile than physical property assets but over time there is an increasing correlation between the two.

Increasing correlation of FTSE EPRA Nareit UK (property shares) vs. MSCI UK Property Index over longer holding periods



Past correlations are not indicative of future correlations.

Source: Columbia Threadneedle Investments. Data as at 13 February 2025



Our hybrid approach means greater flexibility. When we sell a property, there’s no requirement for us to immediately buy a building if one with the characteristics we look for isn’t available. Reinvesting the proceeds into real estate securities allows us to keep capital working until the right opportunity comes along.

George Gay, Fund Manager

A liquid and diverse opportunity set

We target well-managed and financially robust property companies operating in locations characterised by strong demand and restricted supply, thereby providing scope for rental growth. In keeping with our ambition of delivering income and growth we emphasise companies capable of paying attractive (and growing) dividends to shareholders.

When appropriate the team are able to invest in corporate bonds issued by real estate companies.

Example holdings		
VONOVIA		

£221bn

universe comprised of 103 companies across 25 sectors and 13 countries*

*18 February 2025 FTSE EPRA Nareit Developed Europe Index

UK 31%	France 13%	Spain 3%
Germany 16%	Switzerland 11%	Netherlands 1%
Sweden 16%	Belgium 8%	Other 2%

The property specialists

Our property team is one of the most experienced in the industry with expertise in both real estate securities and physical property investment.

Award winning

The team have amassed a range of independent accolades including Winner (Specialist Equities) at the Citywire Investment Trust Awards 2024 for the TR Property Investment Trust.

Resource

12 strong team boasts extensive experience of managing property assets, both physical and equity based. They currently manage around £1.9bn*.

Performance delivered

Impressive track record across strategies ranging from closed ended traditionally managed long only to absolute return orientated long/short offerings.

Past performance should not be seen as an indication of future performance. The value of investments and income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

The managers



Marcus Phayre-Mudge (Equities)

A qualified chartered surveyor and property investor with over 25 years’ investment experience. Marcus specialises in Pan European real estate securities. He also runs the award winning TR Property Investment Trust.



Alban Lhonneur (Equities)

Joined the team in 2008 from Citigroup Global Markets. Holds a BSc in Business and Management as well as a post-graduate Specialised Masters in Finance from ESCP-EAP. Alban specialises in Pan European real estate securities.



George Gay (Physical)

Joined the team in 2005 and holds an MA in Property Valuation and Law from City University. George, a qualified chartered surveyor, is primarily responsible for the management of the physical property assets held in the portfolio.

*Source: Columbia Threadneedle Investments as at 31 Jan 2025

Also available

CT Global Real Estate Securities Fund – investing globally in real estate related equities via region appropriate approaches employed within a framework of strict geographic neutrality.

CT Real Estate Equity Market Neutral Fund – market neutral strategy targeting positive returns in all market conditions.

TR Property Investment Trust – a listed vehicle investing primarily in Pan European real estate securities but with a smaller allocation to UK physical commercial property.



We target exposure towards attractive sub-markets like logistics and light industrial where rents across all of Europe are rising as more online shopping, shortened supply chains and less reliance on ‘just in time’ delivery has driven demand for storage space.

Alban Lhonneur, Fund Manager

Want to know more?

Advisers, contact us here:

✉ sales.support@columbiathreadneedle.com

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Views and opinions expressed by individual authors do not necessarily represent those of Columbia Threadneedle Investments.

The value of investments and any income derived from them can go down as well as up as a result of market or currency movements and investors may not get back the original amount invested.

The value of directly-held property reflects the opinion of valuers and is reviewed periodically. These assets can also be illiquid and significant or persistent redemptions may require the manager to sell properties at a lower market value adversely affecting the value of your investment.

To find out more, visit [columbiathreadneedle.com](https://www.columbiathreadneedle.com)



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