

SACKVILLE SPF IV PROPERTY (GP) LIMITED

(Registered Number: 6791531)

Report and Financial Statements

for the year ended

31 December 2013

FRIDAY



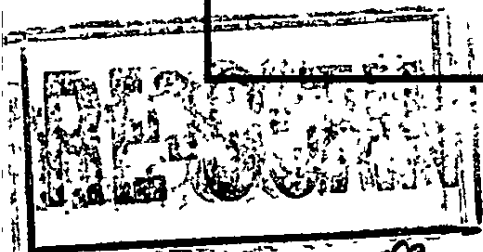
L3G8YA09

LD7

12/09/2014

#78

COMPANIES HOUSE



158

16-9-14

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

	PAGE
DIRECTORS	2
STRATEGIC REPORT	3
DIRECTORS' REPORT	4 - 6
STATEMENT OF DIRECTORS' RESPONSIBILITIES	7
INDEPENDENT AUDITORS' REPORT	8 - 9
PROFIT AND LOSS ACCOUNT	10
BALANCE SHEET	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 16

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

DIRECTORS

C D Fleming

T N Gillbanks

D Jordison

C J Morrogh

J M A Rigg

J M Willcock

Secretary and registered office

A Kaye
60 St Mary Axe
London
EC3A 8JQ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their Strategic Report of Sackville SPF IV Property (GP) Limited ("the Company") for the year ended 31 December 2013. The Company is a subsidiary of Threadneedle Asset Management Holdings Sàrl, a Luxembourg registered company owned by Ameriprise Financial, Inc. ("Ameriprise"), the ultimate parent company. Threadneedle Asset Management Holdings Sàrl and all its subsidiaries are referred to herein as "the Group".

Results and performance

The profit and loss account for the year is set out on page 10. The profit for the financial year under review was £15,419 (2012: £15,123).

Significant developments and principal activities

The principal activity of the Company is to act as general partner to Threadneedle Strategic Property Fund IV LP ("the Partnership"), a limited partnership. The directors do not anticipate any change in the nature of the Company's activities in the foreseeable future.

Review of the business and future developments

The results of companies within the Group are managed on a group and business stream basis. Business streams do not correspond directly with individual legal entities, and consequently key performance indicators are not set for individual companies.

The performance of the Company reflects the allocation of the general partner's share from the Partnership for the year under review, under the terms of the partnership agreement. The level of business and the financial position at the end of the year are considered to be satisfactory by the directors.

Principal risks and uncertainties

The principal risks and uncertainties are integrated with the financial risk management policies of the Company and are discussed in the Directors' Report.

On behalf of the Board



J M Willcock
Director
20 August 2014

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and audited financial statements ("the financial statements") of Sackville SPF IV Property (GP) Limited ("the Company") for the year ended 31 December 2013

The Company's registration number is 6791531.

Future developments

Likely future developments in the business of the company are discussed in the Strategic Report.

Dividends

The directors do not recommend the payment of a dividend (2012 £nil)

Risk management

The Board of Threadneedle Asset Management Holdings Sàrl has established a Risk Committee, which includes representatives from Ameriprise, one of whom is its Chairperson. The Risk Committee reports to both the Board and the Audit Committee so that they may fulfil their corporate governance responsibilities in relation to risk management. The Risk Committee meets quarterly and is responsible for the oversight of the Group's strategic, business and process risks and ensuring a suitable risk management framework is in place to mitigate risk. The scope of this review incorporates the operations of the Company.

The principal credit risk lies in uncollectible receivables and the Company manages credit risk by only offering credit to reputable institutions and by operating strict credit control procedures. The directors do not perceive any significant credit risk as the main concentration of debtors is with related parties.

The directors do not consider that, given the operations of the Company, it is exposed to any significant interest, liquidity or foreign exchange risk.

The Company is also exposed to non-financial or operational risk which includes the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company has completed risk and control assessments to identify potential risks and ensure that adequate controls are in place to mitigate them.

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out on the Strategic Report on page 3 and pages 4 and 5 of the Directors' Report

The Company is expected to generate positive cash flows in the future and to participate in the Group's centralised treasury arrangements and banking relationships with its parent and fellow subsidiaries.

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements

Directors

The names of the directors and secretary of the Company are listed on page 2. The directors all held office throughout the year unless otherwise shown.

Directors' qualifying third party indemnity provisions

During the year and also at the date of approval of the financial statements the Company had in force a qualifying third party indemnity provision in favour of one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

Disclosure of information to the auditors

Each of the persons who are a director at the date of this report confirms that

- as far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2013 of which the auditors are unaware, and
- the director has taken all steps that he/she ought to have taken in his/her duty as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent auditors

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

On behalf of the Board



J M Willcock
Director
20 August 2014

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SACKVILLE SPF IV PROPERTY (GP) LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Sackville SPF IV Property (GP) Limited, comprise

- the profit and loss account for the year ended 31 December 2013;
- the balance sheet as at 31 December 2013; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Directors' report and Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SACKVILLE SPF IV PROPERTY (GP) LIMITED

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report and Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 7 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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.



Alex Bertolotti (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 August 2014

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Turnover	2	20,000	20,000
Interest receivable and similar income	4	89	28
Profit on ordinary activities before taxation	5	20,089	20,028
Tax on profit on ordinary activities	6	(4,670)	(4,905)
Profit for the financial year		15,419	15,123

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The movements in reserves are set out in note 10

All results are derived from continuing operations

The Company has no recognised gains or losses in the year other than the profit for the year, therefore, no statement of total recognised gains and losses has been included

The notes on pages 12 to 16 form an integral part of these financial statements

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
Current assets			
Debtors	7	40,000	20,000
Cash at bank and in hand		44,518	44,428
		<u>84,518</u>	<u>64,428</u>
Creditors:			
Amounts falling due within one year	8	(17,674)	(13,003)
		<u>66,844</u>	<u>51,425</u>
Net assets			
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	66,842	51,423
Total shareholders' funds	11	<u>66,844</u>	<u>51,425</u>

The notes on page 12 to 16 form an integral part of these financial statements.

The financial statements on pages 10 to 16 were approved and authorised for issue by the board of directors on 20 August 2014 and were signed on its behalf by:



J M Willcock
Director

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies, which have been applied consistently throughout the year are set out below

On the grounds that the Company is a subsidiary undertaking, 100% of whose voting rights are controlled within a group which prepares publicly available consolidated financial statements in which the results of the Company are included, it is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard ("FRS") 1 (revised 1996), 'Cash flow statements' and the disclosure requirements of FRS 29, 'Financial Instruments – Disclosures'

b) Consolidated financial statements

The Company acts as the general partner to a property limited partnership. The Company therefore exercises a dominant influence over the Partnership. However, the Company's rights are exercised on behalf of the limited partners, with the Company acting in a fiduciary capacity. The economic interest of the Company in the Partnership is small and restricted and is principally derived in the form of a general partner share provided for under the terms of the partnership agreement. As the Company's influence is fiduciary in nature the Partnership is not treated as a subsidiary undertaking

c) Revenue recognition

Turnover, stated net of value added tax, arises from the Company's general partner share of the underlying profits of the Partnership, as detailed in the underlying partnership agreement and is recognised on an accruals basis. Interest receivable is also recognised on an accruals basis.

d) Trade and other receivables

Trade and other receivables, which generally have 30 day payment terms, are initially recognised at fair value, normally equivalent to the invoice amount, and subsequently measured at amortised cost. When the time value of money is material, the carrying value is discounted to present value. Provision for specific doubtful debts is made when there is evidence that the Company will not be able to recover balances in full. Balances are written off when the receivable amount is deemed irrecoverable.

e) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

1. Accounting policies (continued)

f) Tax

Current income tax

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the country where the Company operates and generates taxable income.

2. Turnover

All turnover is derived in the UK from the Company's principal activity.

3. Directors and employees

Employees

The average monthly number of persons (including directors), considered to be directly employed by the Company on a full time basis during the year was nil (2012: nil). The costs associated with the administration of the Company that are performed by employees of fellow subsidiaries of the Group are not recharged to the Company.

Directors' remuneration

The remuneration of Directors, which was borne by other companies within the Group and not recharged to the Company, was as follows:

	2013 £	2012 £
Aggregate emoluments in respect of qualifying services	174,743	160,000
Pension contributions	370	-
	<u>175,113</u>	<u>160,000</u>

One director (2012: four) received shares or units in other companies of the Group under long-term incentive schemes in respect of qualifying services. Retirement benefits are accruing to four (2012: four) directors under a defined benefit scheme.

	2013 £	2012 £
In respect of the highest paid director:		
Aggregate emoluments and amounts receivable under long-term incentive plans	<u>68,080</u>	<u>64,000</u>
Defined benefit pension scheme:		
Accrued pension at end of year	<u>2,750</u>	<u>3,000</u>

The highest paid director received (2012: received) shares or units in other companies of the Group under long-term incentive schemes in respect of qualifying services and did not exercise any share options.

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

4. Interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	<u>89</u>	<u>28</u>

5. Profit on ordinary activities before taxation

The audit fee of £2,900 (2012 £3,000) was borne by Threadneedle Asset Management Holdings Limited on behalf of the Company and was not recharged. Fees payable to the auditors for other non-audit services during the year under review were £nil (2012 £nil).

6. Tax on profit on ordinary activities

a) Taxation in the profit and loss account is as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax on profits of the year	4,670	4,906
Adjustments in respect of prior years	-	(1)
Total current tax	<u>4,670</u>	<u>4,905</u>

b) Factors affecting the current tax charge on ordinary activities

The tax assessed for the year is equivalent to (2012 lower than) the standard rate of corporation tax in the UK of 23.25% (2012 24.5%)

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>20,089</u>	<u>20,028</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012 24.5%)	4,670	4,906
Adjustments in respect of prior years	-	(1)
Current tax charge for the year	<u>4,670</u>	<u>4,905</u>

7. Debtors

	2013 £	2012 £
Amounts due from the Partnership	<u>40,000</u>	<u>20,000</u>

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

8. Creditors: Amounts falling due within one year

	2013 £	2012 £
Amounts due to group undertakings	7,743	2,836
Corporation tax	9,931	10,167
	<u>17,674</u>	<u>13,003</u>

9. Called up share capital

	2013 £	2012 £
Authorised		
1,000 (2012 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
2 (2012 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Movement in reserve

	Profit and loss account £
At 1 January 2013	51,423
Profit for the financial year	15,419
At 31 December 2013	<u>66,842</u>

11. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	51,425	36,302
Profit for the financial year	15,419	15,123
Closing shareholders' funds	<u>66,844</u>	<u>51,425</u>

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2013

12. Ultimate parent company

The immediate parent company is Threadneedle Property Investments Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Ameriprise Financial, Inc (“Ameriprise”), a company incorporated in the state of Delaware, United States of America.

Ameriprise is the parent undertaking of the largest group of undertakings to consolidate these financial statements to 31 December 2013. The consolidated financial statements of Ameriprise can be obtained by writing to the Corporate Secretary, Ameriprise Financial, Inc, 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise Financial website at www.ameriprise.com.

Threadneedle Asset Management Holdings Sàrl, is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Threadneedle Asset Management Holdings Sàrl can be obtained from 19, rue de Bitbourg, L-1273, Luxembourg

13. Related party transactions

The Company is a general partner in the Threadneedle Strategic Property Fund IV LP (“the Partnership”), a property limited partnership.

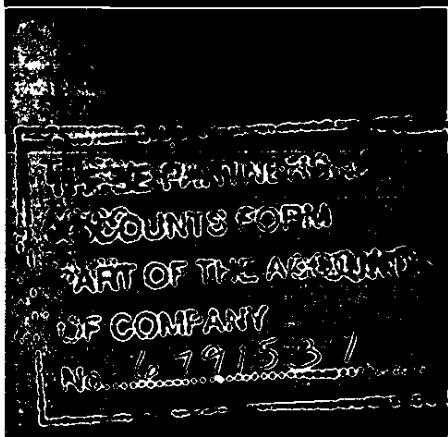
Amounts recognised in the year from the Partnership in respect of the general partner’s profit share were £20,000 (2012: £20,000). As at 31 December 2013, £40,000 (2012: £20,000) was outstanding from the Partnership in respect of profit share.

In all other respects, advantage has been taken of the exemption provided by FRS 8 (‘Related party disclosures’) from disclosing details of transactions with Ameriprise and its subsidiary undertakings on the basis that 100% of the Company’s voting rights are controlled within a group which prepares publicly available consolidated financial statements in which they are included.

14. Contingent liability

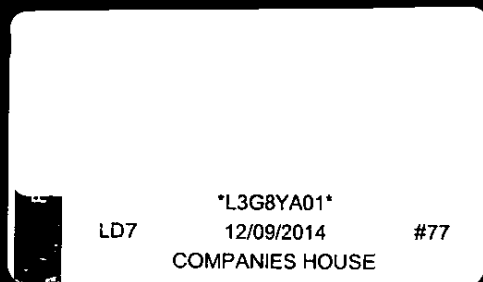
The Company acts as general partner to the Partnership. In acting as general partner the Company enters into transactions on behalf of the Partnership. None of these transactions give any right of recourse to the assets of the Company.

Annual Report and Financial Statements
Threadneedle Strategic Property Fund IV LP
31 December 2013



Threadneedle Strategic Property Fund IV LP

Limited Partnership
Number SL007089



Contents

Fund Overview	2
Fund Manager's Report	3 – 4
Property Portfolio and Fund Level Information	5 – 9
Strategic Report	10
Members' Report	11 – 12
Independent Auditors' Report	13
Financial Statements for the Year Ended 31 December 2013	14 – 15
Notes to the Financial Statements	16 – 17
Additional Information (unaudited)	18 – 21
Management and Administration of the Partnership	22

Important Information

Past performance is not a guide to future returns. The value of property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold. The performance of Threadneedle Strategic Property Fund IV (the "Fund") would be adversely affected by a downturn in the property market.

This document is not an offer to invest in the Fund. An investment in the Fund can only be made on the basis of the Private Placement Memorandum which sets out more detailed information about the Fund, including risk factors and tax considerations for potential investors. Nothing in this document should be taken as a recommendation to acquire an interest in the Fund.

Distribution of this document and the offering of interests in the Fund in certain jurisdictions may be restricted. Persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions.

The Fund is an unregulated collective investment scheme in the UK. As such, shares in the Company and units in the Trust may not be offered or sold in the UK except as permitted by the Financial Services and Markets Act 2000 and the regulations/FCA Rules made under it. This document may not be communicated to any person in the UK except in circumstances permitted by the Act or those regulations/rules.

Investors are advised that the protections afforded by the UK regulatory system may not apply to an investment in the Fund and compensation will not be available under the UK Financial Services Compensation Scheme.

Telephone calls may be recorded.

Please also read the Important Information section at the end of this report.

Fund Overview

Introduction

Threadneedle Strategic Property Fund IV LP (the "Partnership") is a limited partnership established in Scotland that invests in real estate assets located throughout the UK, via the underlying Limited Partnerships, (the "Limited Partnerships")

The Partnership currently has two Feeder Vehicles being Threadneedle Strategic Property Fund IV Trust (the "Trust"), a closed ended unit trust established in Jersey, and Threadneedle Strategic Property Fund IV Luxembourg SA-SICAV SIF (the "Company"), a closed ended investment company with variable share capital (SICAV) created under the Specialised Investment Funds (SIF) Law and incorporated as a Luxembourg public limited company, societe anonyme (SA)

The Limited Partnerships, Partnership and two Feeder Vehicles are collectively referred to as the "Fund"

The Fund's investment objective is to provide its investors with superior risk-adjusted returns by making and managing investments in real estate assets and portfolios in the UK. The Fund prudently utilises leverage (55-60% target loan to value upon investment acquisitions) with a view to enhancing invested equity returns

The Partnership was established in March 2009. With effect from 31 December 2013, the management of the Partnership transferred from Threadneedle Asset Management Limited to Threadneedle Portfolio Services Limited (the "Fund Manager"), and the investment advisory and management services previously provided by Threadneedle Property Investments Limited transferred to Threadneedle Portfolio Services Limited

Fund Manager's Report

Highlights

- ☐ **Investment activity** – During the 2013 calendar year, in addition to £129 million of disposals made in prior years, the Fund completed £8 million of disposals of further non-core assets from the New York portfolio. The investment portfolio at the year-end comprised 21 properties (148 adjusted for the New York portfolio) valued at £442 million.
- ☐ **Investor equity commitments and drawdowns** – Total investor equity commitments drawn by the Fund peaked at £279 million in 2011, and to date £59 million of capital has been repaid to investors, representing 21% of original equity invested. Capital distributions took the form of the repayment of equity and capital gains, generated from early stage opportunistic investment disposals.
- ☐ **Debt finance** – Following investment disposals, to date the Fund has made £81 million of loan repayments, reducing outstanding debt finance held across its three loan facilities from £280 million at its peak, to £198 million as at the 2013 year end.
- ☐ **Hedging strategy** – As previously reported, in order to mitigate interest rate risk, the Fund implemented an interest rate hedging strategy during its Investment Period. Following £86 million of interest rate swaps maturing in Oct-13, the Fund has a remaining £93 million of swap contracts, of which £40 million will mature in Jul-14 and £53 million in Oct-14. The Fund is currently 47% hedged in terms of interest rate risk.
- ☐ **Fund Termination Date** – The maturity date of the Fund is 3 July 2014, being the 5th anniversary of the first equity close, however, as advised to the Investors Advisory Committee, the General Partner exercised its discretion to extend the maturity date to 3 July 2015.

Market Background

The UK commercial property market, as represented by the IPD Monthly Index, generated an All Property Total Return of +10.9% for the 12 months to 31 December 2013 (+2.4% in 2012). Whilst income returns were broadly consistent with 2012 at +6.9%, capital returns were +3.9% in comparison to depreciation of -4.2% in 2012.

A key feature of the investment market since 2007 has been the widening of the yield gap between the prime and secondary assets. For most of the last two years, IPD has reflected this trend, reporting rising secondary yields, but a static picture for yields at the prime end of the market. However, during the final quarter of 2013, we have witnessed a marked change, with a distinct downward movement in secondary yields.

Looking forward, with the supply of good quality investment stock remaining constrained, and with continued strong investor demand and liquidity building further, we anticipate downward pressure on yields to continue in 2014. Performance will primarily be driven by further falls in yields for good quality secondary property. Investors risk appetite looks set to continue to increase, as they access investment stock further up the risk curve. The volume of transactions could also rise further as we move into 2014. Commercial development activity of note

remains focused on the Central London office market, with a lack of development supply outside of London potentially fuelling increased leasing appetite and rising rents, particularly in the South and South East of England.

Overview

Since inception the Fund has drawn from investors and deployed £279 million investor equity in securing an investment portfolio valued at its peak, at over £570 million (Q3-2011). To date, the Fund Manager has concluded strategic investment disposals totaling £137 million, the majority of which were due to exceptional investment market conditions, particularly in relation to the Central London Office disposals, and the disposal of non-core assets from the New York portfolio. As a result, to date the Fund has made capital distributions to investors totaling £59 million. Such capital distributions have crystallised significant capital gains for investors, with strong pricing achieved at the point of disposal.

Throughout the Fund's Investment Period, the Fund Manager took care in selectively deploying all available equity into the Investment Market, approximately half of such equity being deployed at an early stage in the investment cycle, thus benefitting from attractive pricing, and the remaining equity targeted at sourcing and securing opportunistic investments considered to further enhance the performance prospects of the Fund, whilst not increasing its overall risk profile. The Fund's current £442 million investment portfolio is considered to be of high quality and, in accordance with its investment objective, to possess the necessary attributes to deliver strong performance over the medium-term. The Fund Manager considers the portfolio to be well placed in terms of asset pricing within an investment market which is showing encouraging signs of capital growth. Within such investment market conditions the Fund Manager is set to progress further opportunistic investment disposals with a view to capitalising on improving and strong market pricing.

In addition to the investment disposals, the key focus of the Fund Manager remains on pursuing asset management opportunities targeted at enhancing capital values and reducing risk across the investment portfolio, positioning such assets in order to assist in maximising exit pricing over the short to medium term.

At its peak, alongside £279 million of investor equity, the Fund also deployed £280 million of debt finance into the UK commercial property market. During the 2013 calendar year and following further investment disposals, the Fund Manager continued to repay loan finance. As at the 2013 year end debt outstanding was £198 million, with the blended loan-to-value ("LTV") reducing to 45%. From a loan covenant perspective LTV thresholds range from 57-60%, therefore, from a risk perspective the Fund maintains a prudent position.

In terms of interest rate hedging, the Fund closed out a high proportion of interest rate risk over its loans life cycle by utilising interest rate swap contracts. During 2013 £86 million of interest rate swaps matured in the final quarter, reducing interest rate

Fund Manager's Report *(continued)*

Overview *(continued)*

risk protection to 47% of the current outstanding loan. Of the remaining £93 million of interest rate swap contracts, £40 million matures in Jul-14 and £53 million in Oct-14.

The maturity date of the Fund was originally 3 July 2014, being the 5th anniversary of the first equity close. As advised to the Investors Advisory Committee ("IAC"), the General Partner has exercised its discretion to extend the maturity date to 3 July 2015, in order to allow for various value-added asset management initiatives to be concluded and for further strategic investment disposals to be concluded into a currently strong investment market. Under the terms of the Fund, the General Partner has further discretion to extend the Fund life for a further 12 months, following consultation with the IAC.

As a result of the extension to the life of the Fund, during Q1-2014 the Fund Manager will be approaching all lending banks with a view to agreeing short term, flexible refinancing on preferential terms.

Transaction activity and the investment portfolio

During 2013, the Fund disposals were limited to the continued sale of non-core assets from the New York portfolio. During 2014 the Fund Manager envisages an increase in disposal activity, as investments are disposed of on an opportunistic basis into an increasingly strong investment market.

The average lot size of the Fund's investment portfolio, excluding the New York Portfolio, is £19 million and is consistent with the strategy of compiling an investment portfolio whereby assets are in an indicative price range of £15-£40 million. Such assets are considered readily financeable and liquid from a disposal viewpoint, which will assist in relation to the next stage of the Fund's investment strategy.

The average weighted unexpired term across the Fund's portfolio is currently 7.8 years to lease expiry or the next tenant's break option, which is considered healthy in an investment market whereby lease terms have continued to shorten. Longer let assets continue to be sought-after commodities, and in the main command premium values at the point of sale.

During 2014, the Fund's investment strategy will switch towards the opportunistic disposal of assets into a currently strong investment market, however, will also continue to be focused on the deployment of value-added asset management activities over the short term in order to reduce risk and drive forward capital values with the objective of maximising asset level exit pricing.

Performance

The performance of the Fund since launch has been strong, producing a total return since launch to its limited partners of +36.7% (2012, +27.5%). Returns are quoted net of asset level buying costs, with c. £28m of such costs (c. 5% of the acquisition price of investments) being fully absorbed into the Fund's net asset value.

The Fund's Internal Rate of Return ("IRR") increased during the year to +7.2% (2012, +4.9%). The IRR remains below the hurdle rate of +10%, however, is now showing continued improvement. The IRR is an annualised rate of return calculated from time weighted cash-flows to and from limited partners throughout the life of the Fund, and the net asset value ("NAV") of the Fund as at the year end.

The net income distribution yield for the Fund, based upon annualising the final Q4-2013 distribution, rose to +6.6% per annum. The current net distribution yield should rise further during 2014, due to the maturity of the final tranche of interest hedging contracts, however, will be impacted by investment disposals.

To conclude, the Fund's £442 million investment portfolio is well positioned to benefit from further selective and opportunistic investment disposals being made into a currently strong investment market. In the shorter term, the Fund continues to provide investors with exposure to a diversified, high quality and secure investment portfolio, which maintains the required attributes to deliver strong performance, crystallising at the point of exit, markets permitting.

Don Jordison
February 2014

Property Portfolio and Fund Level Information

Key financial and property data	31/12/2013	31/12/2012
Number of properties	148	158
Lettable space in ft ²	2,688,268	2,716,406
Value of investment property	442,288,334	427,457,179
Partners' Interests*	251,795,330	230,697,716
Annual rental revenues	31,034,733	32,663,848
Annual estimated rental value (ERV)	29,658,887	29,798,525
Current initial yield	6.7%	7.2%
Vacancy rate (% of ERV)	1.4%	2.9%
Weighted average lease length	7.8 years	9.1 years
Gearing (loan to value)	44.7%	47.6%

*Net of Sackville SPFIU Property (GP) Limited's interest of £40,000 (2012 £20,000)

Investment and Divestment Activity

During the year to 31 December 2013, the Fund disposed of twenty-five properties (including fifteen part sales). No acquisitions took place during the year.

Valuations

The table below shows the year end valuation of the Portfolio versus book costs. The Portfolio is valued in accordance with the RICS Red Book guidelines by the Fund's valuers, CBRE Limited. The valuation as at 31 December 2013 was £442,288,334.

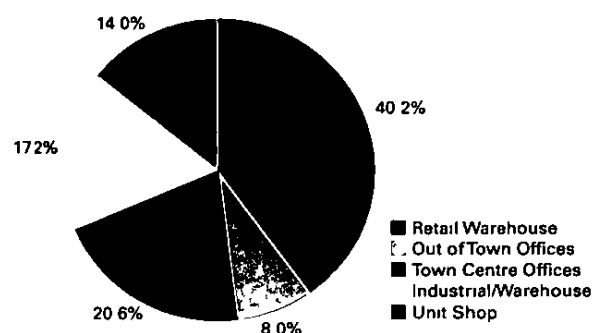
The valuation of the Portfolio as at 31 December 2013 is 0.9% above the book cost, with the valuation increase in those properties that were held at 31 December 2012, being 5.2%. During the year ended 31 December 2013, the net initial yield dropped from 7.2% to 6.7%.

Property Valuation Summary

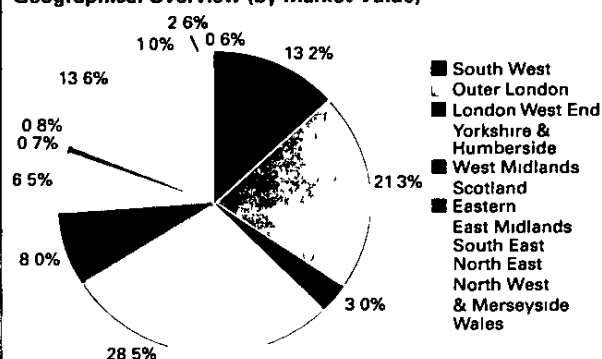
Property	Book Cost £	Value at 31/12/13 £	Value at 31/12/12 £	Increase/Decrease against Value at 31/12/12
Oxford, Garsington Road	14,738,010	16,375,000	15,100,000	8.4%
Ealing, Uxbridge Road	16,071,964	18,540,000	16,700,000	11.0%
Leeds, Leeds Valley Park	19,941,566	19,000,000	19,600,000	-3.1%
Cheltenham, Centrum Park	27,272,348	32,300,000	32,000,000	0.9%
Wolverhampton, Steel Park	33,002,585	35,000,000	33,900,000	3.2%
Aberdeen, Berryden Retail Park	26,942,945	22,500,000	24,150,000	-6.8%
Banbury, Southam Road	7,717,473	6,625,000	6,500,000	1.9%
Wimbledon, St Georges House	26,944,188	36,000,000	26,350,000	36.6%
Normanton, U 1&2, Foxbridge Way	5,199,837	4,060,000	3,880,000	4.6%
Stockton-on-Tees, Portrack Lane	1,821,355	1,450,000	1,500,000	-3.3%
Rotherham, Canklow Meadows	3,613,481	3,525,000	3,625,000	-2.8%
Sittingbourne, Dolphin Park	913,599	875,000	725,000	20.7%
Letchworth, 11 East Cheap	1,975,188	1,900,000	1,925,000	-1.3%
East Grinstead, Imberhorne Way	1,399,593	1,100,000	1,175,000	-6.4%
Manchester, Westover Street	4,542,153	3,350,000	3,550,000	-5.6%
Selby, Abbey Retail Park	11,564,199	12,950,000	12,020,000	7.7%
Luton, Unit 14 Cosgrave Way	1,700,368	1,400,000	1,475,000	-5.1%
Slough, Slough Retail Park	54,464,620	45,200,000	45,650,000	-1.0%
Hull, St Andrews Quay Retail Park	85,671,885	83,525,000	81,500,000	2.5%
London NW1, 39 Plender Street	28,845,302	36,400,000	30,400,000	19.7%
New York Portfolio	63,946,491	60,213,334	58,818,457	2.4%
Total - Held Property	438,289,150	442,288,334	420,543,457	5.2%
New York Portfolio (disposals)	-	-	6,913,722	-
Total - Including disposal property	438,289,150	442,288,334	427,457,179	3.5%

Property Portfolio and Fund Level Information *(continued)*

Property Type Overview (by Market Value)



Geographical Overview (by Market Value)



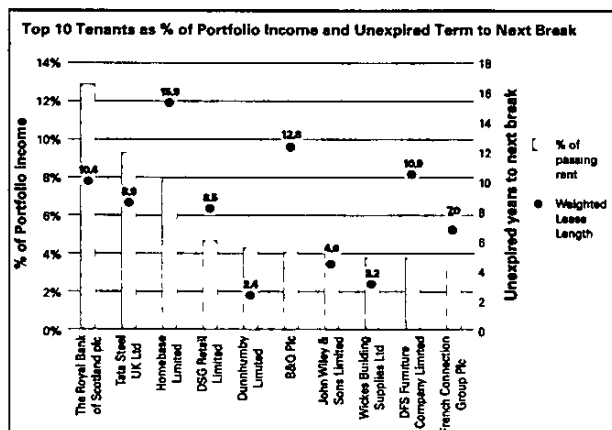
Property Portfolio Summary

Property	Area ft ²	Annual rent £	Weighted lease length to next break (years)
Oxford, Garsington Road	65,556	1,233,063	4.6
Ealing, Uxbridge Road	51,849	1,324,000	2.4
Leeds, Leeds Valley Park	94,672	1,658,846	9.6
Cheltenham, Centrum Park	139,984	2,239,696	16.1
Wolverhampton, Steel Park	754,277	2,879,950	8.9
Aberdeen, Berryden Retail Park	84,566	1,758,173	6.0
Banbury, Southam Road	35,468	525,430	7.2
Wimbledon, St Georges House	82,383	770,630	5.5
Normanton, U 1&2, Foxbridge Way	75,739	379,020	7.0
Stockton-on-Tees, Portrack Lane	22,117	120,000	0.5
Rotherham, Canklow Meadows	29,678	289,575	12.2
Sittingbourne, Dolphin Park	16,629	90,400	4.7
Letchworth, 11 East Cheap	29,096	148,000	10.6
East Grinstead, Imberhorne Way	14,814	104,825	5.7
Manchester, Westover Street	27,250	300,000	5.2
Selby, Abbey Retail Park	76,963	762,351	7.8
Luton, Unit 14 Cosgrave Way	15,789	107,523	7.7
Slough, Slough Retail Park	153,787	4,065,105	7.4
Hull, St Andrews Quay Retail Park	386,617	5,847,661	10.1
London NW1, 39 Plender Street	81,123	1,946,975	5.4
New York Portfolio	449,911	4,483,510	4.6
Total	2,688,268	31,034,733	7.8

Property Portfolio and Fund Level Information *(continued)*

Tenant distribution

The graph below shows the unexpired term to break for the top 10 tenants

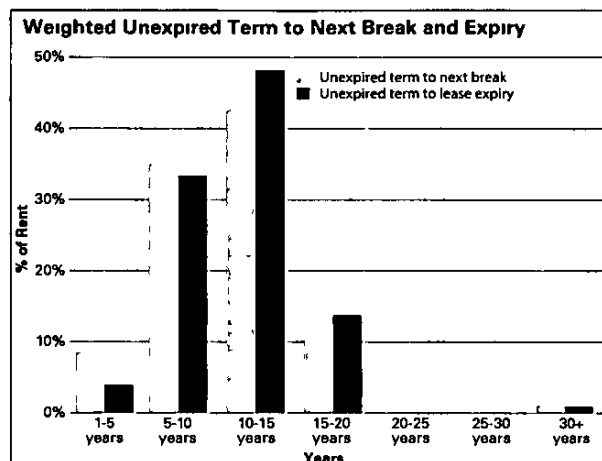


The top 10 tenants collectively account for 57.8% of the annual rental income

Top 10 tenants	Annual rent £	% of annual rent
The Royal Bank of Scotland plc	3,968,867	12.8%
Tata Steel UK Ltd	2,879,950	9.3%
Homebase Limited	2,443,295	7.9%
DSG Retail Limited	1,453,348	4.7%
Dunhumby Limited	1,324,000	4.3%
B&Q Plc	1,270,225	4.1%
John Wiley & Sons Limited	1,233,062	4.0%
Wickes Building Supplies Ltd	1,179,414	3.8%
DFS Furniture Company Limited	1,175,000	3.8%
French Connection Group Plc	1,018,000	3.3%
Sum 10 largest tenants	17,945,161	57.8
Other tenants	13,089,572	42.2
Total	31,034,733	100.0

Lease Expiry Profile

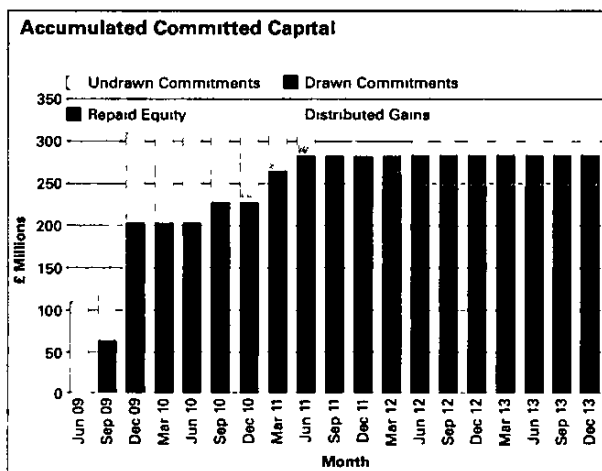
The Fund has a weighted average unexpired term to break of 7.8 years, which compares to the IPD benchmark of 8.2 years, at 31 December 2013



Capital and Investors

Committed and drawn capital

A total of £306,935,175 of equity has been committed to the Fund. At 31 December 2013, £279,311,010 had been drawn from investors, equating to 91% of committed amounts. The remaining undrawn equity totalling £27,624,165 was cancelled in September 2011. During the year the Fund distributed £14,269,697 of income.



Property Portfolio and Fund Level Information *(continued)*

New Lettings		Area ft²	Initial rent £	Start date	ERV
Property	Tenant				
Wimbledon, St Georges House	Coty Services UK Limited (rent free until 01/02/15)	12,670	405,440	01/05/2013	430,780
Wimbledon, St Georges House	Coty Services UK Limited (rent free until 01/05/14)	8,359	234,052	01/05/2013	234,052
Wimbledon, St Georges House	Coty Services UK Limited (rent free until 01/05/14)	8,381	234,668	01/05/2013	234,668
Wimbledon, St Georges House	Coty Services UK Limited (rent free until 01/05/14)	8,386	234,808	01/05/2013	234,808
Sittingbourne, Dolphin Park	Scania (Great Britain) Limited	16,629	90,200	17/07/2013	83,145
Selby, Abbey Retail Park	Wilkinson Hardware Stores Ltd	28,557	190,000	20/07/2013	228,456
Slough, Slough Retail Park	Sofaworks Limited	22,861	400,000	12/06/2013	388,637
Hull, St Andrews Quay Ret Park	Subway Realty Limited	850	27,750	25/03/2013	27,752
Hull, St Andrews Quay Ret Park	P and R Property Management	1,425	7,500	05/07/2013	14,991
Hull, St Andrews Quay Ret Park	Steinhoff UK Group Properties (rent free until 28/12/14)	17,000	385,050	28/06/2013	340,000
Hull, St Andrews Quay Ret Park	Delo No1 Limited	1,312	16,000	28/10/2013	26,240
London NW1, 39 Plender Street	Proof Drinks Limited	775	9,975	18/10/2013	14,748
Manchester, 56-60 Portland St	Starburst Magazine Ltd	1,692	4,678	29/04/2013	9,306
Bognor Regis, 4 Avisford Terr	Purley Ventures Limited	705	100	21/02/2013	0
Burnham-on-Sea, 20 Regent St	J M Eccles and S D Eccles	2,292	9,000	16/02/2013	9,168
Doncaster, 16/16A Market Place	BW SIPP Trustees Limited as	674	100	15/03/2013	4,044
Falkirk, 98 High Street	Ladbroke Betting & Gaming Ltd	628	37,500	30/05/2013	25,120
Leicester, 1-5 Granby Street	Taking Shape UK Limited	948	27,500	20/08/2013	52,140
Nantwich, 36 High Street	Savers Health & Beauty Limited	3,453	26,200	29/09/2013	37,983
Oldham, 101-103 High Street	William Hill Organization	447	4,750	21/01/2013	4,470
Whittlesey, 2 Market Street	Colin Barrie Finley	800	100	10/04/2013	0
Whittlesey, 2 Market Street	John Rodney Allen	1,300	100	20/02/2013	0
Wantage, 3 Newbury Street	Subway Realty Limited	839	17,000	17/06/2013	16,990
Wantage, 3 Newbury Street	Taylor French Developments	2,381	100	12/06/2013	0
Welshpool, Bank House	Stephen Wheatcroft	1,629	4,200	01/02/2013	0
Deal, 31/33 High Street	Throgmorton Private Capital	1,401	8,340	30/09/2013	7,705
Greenock, Cathcart St/Duff St	Brian Paterson	637	8,500	01/01/2013	6,370
Keswick, 26 & 28 Main Street	Malcolm, Joan & John Craghill	342	25,000	16/04/2013	25,650
Machynlleth, 22 Maengwyth St	Anne Margaret Tack and Andrew	1,688	3,360	20/03/2013	0
Wilmslow, 10 Alderley Road	The Co-Operative Bank Plc	453	33,500	21/02/2013	26,048
Total		149,514	2,445,471		2,483,271

Property Portfolio and Fund Level Information *(continued)*

Vacancy Levels

Property	Retail warehouse ft ²	Retail ft ²	ERV £
Selby, Abbey Retail Park	880	–	28,600
Ballantrae, 51 Main Street Total	–	1,210	7,755
Blackpool, 1-3 Red Bank Road Total	–	1,342	4,857
Blackpool, 87 Bond Street Total	–	1,913	4,592
BurnhamOnCrouch, 32-36 High St Total	–	1,413	3,025
Cromer, 59-63 Church Street Total	–	1,619	2,684
Dalton-in-Furness, Market St Total	–	1,551	3,945
Deal, 31/33 High Street Total	–	1,701	1,402
Ellesmere Port, Whitby Road Total	–	1,411	37,913
Glasgow, 190 Trongate Total	–	1,358	136,480
Hebden Bridge, 2 Crown Street Total	–	1,208	5,103
Heckmondwike, Market Place Total	–	4,359	10,000
Keswick, 26 & 28 Main Street Total	–	1,463	270
Kinlochleven, 7 Leven Road Total	–	4,170	4,074
Leven, 23 Church Street Total	–	3,244	4,590
Liverpool, St Johns/Crosby Road Total	–	2,702	6,644
Machynlleth, 22 Maengwyth St Total	–	3,163	1,805
Manchester, 1051 Oldham Road Total	–	2,153	5,852
Manchester, 20/20A King Street Total	–	2,940	20,850
Manchester, 78/82 Church St Total	–	2,154	17,436
Matlock, 8-10 Snitterton Road Total	–	255	9,732
Nantwich, 36 High Street Total	–	2,558	13,510
Newton Stewart, 40 Victoria St Total	–	4,682	3,874
Northallerton, 97 High Street Total	–	10,648	15,815
Penrith, Central Buildings Total	–	135	2,018
Sandwich, 21 Market Street Total	–	1,224	7,535
Sheffield, 106 The Moor Total	–	2,124	14,700
Sittingbourne, High Street Total	–	2,452	21,150
Solihull, 1660 High Street Total	–	2,085	1,913
Wetherby, 47-49 High Street Total	–	1,440	3,356
Total	880	68,677	401,480

As a percentage of floor area, the vacant rate is 2.6%, whilst the vacancy rate as measured by estimated rental value is 1.4%

Strategic Report

The Directors of the Member ("General Partner") present the Strategic Report, the Members' Report and the financial statements of Threadneedle Strategic Property Fund IV LP ("the Partnership") for the year ended 31 December 2013

Review of the business

In respect of investment activity the Limited Partnerships disposed of twenty-five properties (including fifteen part sales). No acquisitions took place during the year. As at 31 December 2013 the Limited Partnerships held one hundred and forty-eight properties in their property investment portfolios.

The profit for the year ended 31 December 2013 amounted to £16,264,547 (2012: £11,551,939) which when added to the surplus on revaluation of investments of £19,122,764 (2012: deficit £33,407,052) resulted in a total recognised gain for the year of £35,387,310 (2012: loss £21,855,113). A total of £14,943,343 (2012: £11,793,142) was distributable as income to Partners in the year. The Partnership made distributions of £14,269,697 to Partners during the year (2012: £68,138,322).

Additional income resulting from surrender premiums and a reduction in interest payable on Limited Partnership loans has contributed to the increase in income receivable from Limited Partnerships. The Partnership reported a surplus from revaluation of investments for the year ended 31 December 2013, which can be attributed to general market conditions in the property sector.

Future developments

The Partnership is due to terminate on 3 July 2014, however the General Partner has extended the life of the Partnership for a further twelve months from the date of termination.

There have been five sales from the New York Portfolio since 31 December 2013. The sales have generated proceeds of £5,405,000.

The Partnership together with the Limited Partnerships have considerable financial resources together with lease agreements with customers and contracts with suppliers across different geographical areas and industries. As a consequence, the General Partner believes that the Partnership is well placed to manage its business risks successfully.

The General Partner is satisfied that the Partnership has adequate resources to continue in operational existence for at least twelve months from signing the financial statements and, accordingly, it continues to adopt the going concern basis in their preparation.

Key Performance Indicators

The Directors consider the following to be their Key Performance Indicators:

- Investment income,
- Profitability,
- The growth in the market value of indirectly held properties.

Performance against these indicators is discussed within the review of the business for 2013 set out above.

Principal Risks and Uncertainties

The principal risks and uncertainties are integrated with the financial risk management policies of the Partnership and are discussed in the Members' Report by the General Partner.

On behalf of the General Partner



J M Willcock

Director of Sackville SPF IV Property (GP) Limited

Date: 17 February 2014

Members' Report

Partners

The Partners throughout the year and up to the date of signing the financial statements were as follows

Sackville SPF IV Property (GP) Limited	General Partner
Threadneedle Strategic Property Fund IV Trust	Limited Partner
Threadneedle Strategic Property Fund IV SA SICAV-SIF	Limited Partner
Tredje AP-Fonden	Limited Partner
CPPI II Investment Limited	Limited Partner
Compass Property Partners Intl II – A, LP	Limited Partner
Threadneedle Investors Property Partnership LP	Special Limited Partner

Individual Partners' interests are detailed in the breakdown of the Partners' capital and loan accounts in Note 10 to the financial statements

Financial risk management policies

The General Partner is a wholly owned subsidiary company of Threadneedle Property Investments Limited and as such follows the financial risk management objectives and policies applicable to that company

The Partnership's operations expose it to a variety of financial risks, that include the effects of changes in prices, credit, liquidity and cash flow risk and interest rate risk. The General Partner has in place a risk management programme that seeks to limit the impacts of the risks

Price risk

Price risk is the risk that the Partnership's financial position and performance will be affected by the change of market prices

The Partnership's performance is determined by

- i) the eventual selling price of the indirect investment properties it holds. As a consequence, it participates in the deficit when property values fall,
- ii) the rental income obtainable from the indirectly held properties during the period they are held. The risk arises when there are adverse trends in the property rental market

In order to mitigate the risk, the General Partner considers the market price risk associated with particular industry and geographical sectors in formulation of its investment strategy

Credit risk

Credit risk for the Partnership is defined as potential loss resulting from the tenants' of indirectly held properties inability to pay rents owed

In order to mitigate this risk, the General Partner performs credit checks on potential customers before lease contracts are undertaken. Any overdue debts are pursued on a regular basis

Liquidity and cashflow risk

Liquidity and cashflow risk is the risk stemming from the lack of marketability of an investment

The Partnership's liquidity can be influenced by the following

- i) the Partnership's assets, comprising mainly of its indirect investment in property, may not be readily saleable,
- ii) decline in rental market can lead to uncertainty of income received from indirectly held property assets

In order to limit the risk, the General Partner actively monitors its liquidity and cashflow position to ensure it has sufficient finance in order to fund its activities

Interest rate risk

Interest rate risk arises due to changes in interest rates. The Limited Partnerships have interest-bearing loans and any rise in interest rates would adversely affect the financial position of the Partnership

The risk is managed by the deployment of interest rate contracts that effectively fix or cap the rate of interest on bank debt

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have signified their willingness to continue in office

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations

Company law as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to qualifying partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the members are required to

- ☒ select suitable accounting policies and then apply them consistently,
- ☐ make judgements and accounting estimates that are reasonable and prudent,
- ☐ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- ☐ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business

Members' Report *(continued)*

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by the Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In the case of each of the directors of the General Partner in office at the date the Members' report is approved

- so far as the directors are aware there is no relevant audit information of which the Partnership's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

On behalf of the General Partner



J M Willcock
Director of Sackville SPF IV Property (GP) Limited
Date 17 February 2014

Independent Auditors' Report to the Members of Threadneedle Strategic Property Fund IV LP

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2013 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by the members of Threadneedle Strategic Property Fund IV LP, comprise

- the Balance Sheet as at 31 December 2013,
- the Profit and Loss Account, the Statement of Total Recognised Gains and Losses and the Note of Historical Cost Profits and Losses for the year then ended, and
- the notes to the financial statements, which include a summary of the significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

What an audit of the financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the qualifying partnership's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the members, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applied to qualifying partnerships, we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit,
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Members' remuneration

Under the Companies Act 2006, we are required to report to you if, in our opinion, certain disclosures of members' remuneration specified by law are not made We have no exceptions to report arising from this responsibility

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the members

As explained more fully in the Statement of Members' Responsibilities set out on pages 11 and 12, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the members of the qualifying partnership as a body in accordance with the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 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



Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

Date 17 February 2014

Financial Statements for the Year Ended 31 December 2013

Profit and Loss Account

for the year ended 31 December 2013

	Notes	2013 £	2012 £
Income from investment in Limited Partnerships	1	15,007,383	11,889,194
GROSS PROFIT		15,007,383	11,889,194
Administrative expenses	2	(63,985)	(95,962)
OPERATING PROFIT		14,943,398	11,793,232
Realised gain/(loss) on investments in Limited Partnerships		1,321,204	(241,203)
Interest payable	4	(55)	(90)
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		16,264,547	11,551,939

Statement of Total Recognised Gains and Losses

for the year ended 31 December 2013

		2013 £	2012 £
Profit for the financial year		16,264,547	11,551,939
Surplus/(deficit) on revaluation of investments	5	19,122,764	(33,407,052)
TOTAL RECOGNISED GAINS/(LOSSES) FOR THE YEAR		35,387,311	(21,855,113)

Note of Historical Cost Profits and Losses

for the year ended 31 December 2013

		2013 £	2012 £
Reported profit on ordinary activities before and after taxation		16,264,547	11,551,939
Realisation of valuation (losses)/gains of previous years		(752,205)	17,998,455
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		15,512,342	29,550,394

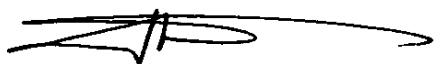
Balance Sheet

at 31 December 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investment in Limited Partnerships	5	247,219,453	226,775,485
		247,219,453	226,775,485
CURRENT ASSETS			
Debtors amounts falling due within one year	6	3,989,153	3,572,557
Cash at bank		641,374	1,227,446
		4,630,527	4,800,003
TOTAL ASSETS		251,849,980	231,575,488
Creditors amounts falling due within one year	7	3,908,726	4,078,201
Creditors amounts falling due after more than one year	8	247,941,254	227,497,287
TOTAL LIABILITIES		251,849,980	231,575,488

The notes on pages 16 to 17 form an integral part of the financial statements

The financial statements on pages 14 to 17 were approved by the General Partner on 17 February 2014 and were signed on its behalf by



J M Willcock
Director of Sackville SPF IV Property (GP) Limited

Financial Statements for the Year Ended 31 December 2013

(continued)

Cash Flow Statement

for the year ended 31 December 2013

	Notes	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	11	13,683,680	8,906,692
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(55)	(90)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(55)	(90)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of investments		–	(19,000,000)
Disposal of investments		–	75,623,211
NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		–	56,623,211
FINANCING			
Partner loans repaid in the year		(14,269,697)	(68,138,322)
NET CASH OUTFLOW FROM FINANCING		(14,269,697)	(68,138,322)
DECREASE IN CASH IN THE YEAR		(586,072)	(2,608,509)
RECONCILIATION TO NET FUNDS			
Net Funds at 1 January		1,227,446	3,835,955
Decrease in cash in the year		(586,072)	(2,608,509)
NET FUNDS AT 31 DECEMBER	12	641,374	1,227,446

The notes on pages 16 to 17 form an integral part of the financial statements

Notes to the Financial Statements

for the year ended 31 December 2013

1 ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investment properties which are stated at their open market value at the period end, and in accordance with Partnerships (Accounts) Regulations 2008 and applicable accounting standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice)

Income from investment

Net income from investments relate to the distributions accrued and received from the Limited Partnerships

Administrative Expenses

Administrative Expenses consist of costs associated with general administration of the Partnership and are recognised on an accruals basis

Interest Receivable and Interest Payable

Interest Receivable and Interest Payable are recognised on an accruals basis

Investment in Limited Partnerships

The interest of the Partnership in its investment in Limited Partnerships is stated in the balance sheet at valuation. The valuation is based upon the cost of the original investment in the Limited Partnerships, as adjusted by movements in the valuation of investment properties held by those Limited Partnerships. The movements in the valuation of the investments are accounted for in the Statement of Total Recognised Gains and Losses. The investment properties in the Limited Partnerships are 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. Quarterly 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. CBRE Limited hold 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.

Cash at Bank

Cash at bank includes cash and deposits held with banks or other qualifying financial institutions

Taxation

The tax effects of the Partnership's activities accrue to the Partners, and a Partner liable to tax on its participation in the Partnership is responsible for settling the liabilities independently of the Partnership

Partners' Accounts

The General Partner has classified the Partners' accounts as a financial liability in accordance with the contractual arrangements within the Limited Partnership Agreement ("LPA"), whereby there is a contractual requirement for the General Partner to distribute proceeds from the sale of investments, or residual assets upon the termination of the Partnership, to various Partners in accordance with the LPA.

The Partnership does not have an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation, and the obligation is recognised as a financial liability.

General Partner's profit share

The General Partner is entitled to receive an amount equal to £20,000 per annum as a first charge on net income and capital gains in accordance with Clause 9 of the LPA dated 29 October 2009 and as amended on 11 January 2010.

Profit Allocations

Allocations to the General Partner and Limited Partners of revenue profits, revenue losses, capital gains and capital losses are made in accordance with Clause 8 of the LPA dated 29 October 2009 and as amended on 11 January 2010.

Distributions

Distributions are reflected in the Partners' Loan Accounts until the Partners' loans are fully repaid in accordance with the LPA. Thereafter, distributions are reflected in the Partners' Current Accounts.

2 ADMINISTRATIVE EXPENSES

	2013 £	2012 £
Fees payable to Partnership's auditors for the audit of the financial statements	12,590	10,280
Other expenses	51,395	85,682
	<u>63,985</u>	<u>95,962</u>

3 EMPLOYEES

The number of persons working for the Partnership during the year was nil (2012: nil).

4 INTEREST PAYABLE

	2013 £	2012 £
Bank charges	55	90
	<u>55</u>	<u>90</u>

5 INVESTMENT IN LIMITED PARTNERSHIPS

The Partnership's investment in Limited Partnerships is as below, with the principal activity of each Limited Partnership being that of Property Investment.

	31 December 2013 £			
Name of Limited Partnership				
Threadneedle Strategic Property Fund IV Sub Partnership No. 1 LP ("TSPF IV LP 1")				98,864,830
Threadneedle Strategic Property Fund IV Sub Partnership No. 2 LP ("TSPF IV LP 2")				20,370,760
Threadneedle Strategic Property Fund IV Sub Partnership No. 3 LP ("TSPF IV LP 3")				127,983,863
				<u>247,219,453</u>
Represented by				
	TSPF IV LP 1 £	TSPF IV LP 2 £	TSPF IV LP 3 £	Total £
At 1 January 2013	87,124,641	19,658,726	119,992,118	226,775,485
Increase in valuation	11,733,930	712,034	6,676,800	19,122,764
Realised gain on investment	6,259	–	1,314,945	1,321,204
At 31 December 2013	<u>98,864,830</u>	<u>20,370,760</u>	<u>127,983,863</u>	<u>247,219,453</u>

6 DEBTORS amounts falling due within one year

	2013 £	2012 £
Accrued net income due from investments	3,870,169	2,966,221
Other debtors	118,984	606,336
	<u>3,989,153</u>	<u>3,572,557</u>

7 CREDITORS amounts falling due within one year

	2013 £	2012 £
Other creditors	14,650	17,700
Accrued net income due to investments	–	840,072
Amounts due to Limited Partners and General Partner	3,894,076	3,200,429
	<u>3,908,726</u>	<u>4,078,201</u>

Notes to the Financial Statements (continued)

for the year ended 31 December 2013

8 CREDITORS amounts falling due after more than one year

	2013	2012
	£	£
Amounts due to Partners	247,941,254	227,497,287
	<u>247,941,254</u>	<u>227,497,287</u>

9 RECONCILIATION OF MOVEMENTS IN PARTNERS' INTERESTS

	As at 1 January 2013	Movement in Loan Contribution Account	Movement in Revenue Account	Movement in Net Capital Account	As at 31 December 2013
Return	36 589,384	-	14 943 343	20 443,968	71,956 695
Capital and loans	194 148 332	(14 269 697)	-	-	179,878,635
	<u>230,717 716</u>	<u>(14,269,697)</u>	<u>14 943 343</u>	<u>20 443 968</u>	<u>251,835 330</u>

10 PARTNERS' INTERESTS AS AT 31 DECEMBER 2013

Partners	Capital Contribution Account £	Loan Contribution Account £	Revenue Account £	Net Capital Account £	Current Account £	Total £
Threadneedle Strategic Property Fund IV Trust	2 406	141 032 988	34 638,345	21 750 785	-	197,422 524
Threadneedle Strategic Property Fund IV SA						
SICAV SIF	433	25 363 007	6 228 918	3,911 609	-	35 503 967
Tredje AP – Fonden	200	11 720 699	2,878,494	1 807 625	-	16,407 018
CPPI II Investment Limited	13	732 544	179 906	112 977	-	1 025 440
Compass Property Partners Intl II – A, LP	18	1 025 561	251 868	158 167	-	1,435 614
Sackville SPF IV Property (GP) Limited	-	-	90,000	-	(50 000)	40 000
Threadneedle Investors Property Partnership LP	767	-	-	-	-	767
	<u>3 837</u>	<u>179,874 799</u>	<u>44 265 531</u>	<u>27,741,163</u>	<u>(50,000)</u>	<u>251,835,330</u>

Maturity Profile

	£
Due in one year or less	3 894 076
Due in more than one year	<u>247 941 254</u>
	<u>251 835 330</u>

AS AT 31 DECEMBER 2012

Partners	Capital Contribution Account £	Loan Contribution Account £	Revenue Account £	Net Capital Account £	Current Account £	Total £
Threadneedle Strategic Property Fund IV Trust	2 406	152 221 312	22 935 522	5 721 453	-	180 880 693
Threadneedle Strategic Property Fund IV SA						
SICAV SIF	433	27,375,088	4,124,670	1,028 932	-	32 529 123
Tredje AP – Fonden	200	12 650 518	1 906 084	475 488	-	15 032 290
CPPI II Investment Limited	13	790 657	119 130	29 718	-	939 518
Compass Property Partners Intl II – A, LP	18	1 106 920	166 782	41 605	-	1,315 325
Sackville SPF IV Property (GP) Limited	-	-	70 000	-	(50 000)	20 000
Threadneedle Investors Property Partnership LP	767	-	-	-	-	767
	<u>3 837</u>	<u>194 144 495</u>	<u>29 322,188</u>	<u>7 297 196</u>	<u>(50 000)</u>	<u>230 717,716</u>

Maturity Profile

	£
Due in one year or less	3,220 429
Due in more than one year	<u>227 497 287</u>
	<u>230 717 716</u>

11 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£	£
Operating profit	14,943,398	11,793,232
Increase in debtors	(416,596)	(2,088,536)
Decrease in creditors	(843,122)	(798,004)
Net cash inflow from operating activities	<u>13,683,680</u>	<u>8,906,692</u>

12 ANALYSIS OF NET FUNDS

	At 1 January 2013	Cash flow 2013	At 31 December 2013
	£	£	£
Bank balance	1,227,446	(586,072)	641,374
	<u>1,227,446</u>	<u>(586,072)</u>	<u>641,374</u>

13 ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party is Ameriprise Financial, Inc. ("Ameriprise"), a company incorporated in the state of Delaware, United States of America

Ameriprise is the parent undertaking of the largest group of undertakings to consolidate these financial statements to 31 December 2013. The consolidated financial statements of Ameriprise can be obtained by writing to the Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota, USA, 55474 or by visiting the Ameriprise Financial website at www.ameriprise.com

Threadneedle Asset Management Holdings Sàrl, is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Threadneedle Asset Management Holdings Sàrl can be obtained from 19, rue de Bitbourg, L-1273, Luxembourg

Threadneedle Asset Management Holdings Limited, a company incorporated in England and Wales, is the parent company of Threadneedle Property Investments Limited, which holds the entire share capital of the General Partner, Sackville SPF IV Property (GP) Limited. The General Partner is considered to be the immediate controlling party.

14 RELATED PARTY TRANSACTIONS

During the year ended 31 December 2013 the Fund incurred management fees of £4,060,190 (2012 £4,827,589) from Threadneedle Asset Management Limited. The balance due to Threadneedle Asset Management Limited at 31 December 2013 was £11,224 (2012 £1,074,365)

The General Partner is entitled to receive an amount equal to £20,000 per annum as a first charge on net income and capital gains. During the year to 31 December 2013 the amount allocated to the General Partner was £20,000 (2012 £20,000)

No contract of significance existed at any time during the year in which a director or key manager was materially interested or which requires disclosure as a related party transaction as defined under FRS 8

15 POST BALANCE SHEET EVENTS

There have been no material post balance sheet events which would provide additional evidence relating to conditions that existed at the balance sheet date, or events indicating that it is not appropriate to apply the going concern basis of accounting

With effect from 1 January 2014, management of the Partnership transferred to Threadneedle Portfolio Services Limited from Threadneedle Asset Management Limited. Threadneedle Property Investments Limited will continue to provide investment advisory and management services to the Partnership

Additional Information (unaudited)

INREV NAV CALCULATION

at 31 December 2013

Net Asset Value (NAV) for performance measurement of closed ended funds

	Total £
NAV as per the financial statements	251,795,329
Effect of exercise of options, convertibles and other equity interests	-
Effect of not yet distributed dividend recorded as a liability (not included in equity)	-
Diluted NAV, after the exercise of options, convertibles and other equity interests and the effect of not yet distributed dividend	251,795,329
a) Revaluation to fair value of investment properties	-
b) Revaluation to fair value of self-constructed or developed investment property	-
c) Revaluation to fair value of property intended for sale	-
d) Fair value of property that is leased to tenants under a finance lease	-
e) Transfer taxes and purchaser's costs	-
f) Fair value of derivative financial instruments held for hedging	(1,683,073)
g) Deferred tax	-
h) Set-up costs	-
i) Acquisition expenses	3,579,405
j) Contractual fees	-
k) Tax effect of the adjustments	-
Diluted INREV NAV	253,691,661
l) Fair value of derivative financial instruments held for hedging	1,683,073
m) Fixed rate debt	-
n) Tax effect on the above adjustments	-
Diluted INREV NAV for property performance measurement for closed ended funds	255 374 734

The format of the INREV NAV as at 31 December 2013 has been presented in accordance with the latest INREV reporting layout

Additional Information (unaudited)

(continued)

TOTAL EXPENSE RATIOS (INREV BASIS)

at 31 December 2013

	Actual 2013 £
Management fees	4,060,190
Fund Expenses	
Valuers fees	66,185
Other administration fees	591,734
Subtotal Fund Expenses (Management fees, Fund expenses)	4,718,109
Property-specific costs	
Amortisation of acquisition costs	5,200,536
Non-recoverable property costs	2,278,119
Total Expenses (Management fees, Fund expenses, Property costs)	12,196,764
Performance fees	
Performance fees accrued	—
Performance fee structure	
Above a hurdle rate of 10% return on equity per annum, 20% of the excess is paid to Threadneedle Investors Property Partnership LP, increasing to 30% of the excess above a 15% return on equity per annum	
Average INREV Net Assets (NAV)	244,050,117
Average INREV Gross Assets (GAV)	441,097,582
Total Expense Ratio	
Subtotal Fund Expenses / Average NAV	1.93%
Subtotal Fund Expenses / Average GAV	1.07%
Real Estate Expense Ratio	
Total Expenses / Average NAV	5.00%
Total Expenses / Average GAV	2.77%
Performance Fees Charged	
Performance Fee / Average NAV	0.00%
Performance Fee / Average GAV	0.00%
Return Reduction Metric	

Assuming an annual growth rate of 10%, an anticipated Real Estate Expense of 5.00%, total performance fees of 0.00%, and 0.00% initial charges, gross returns over a holding period of 5 years would be reduced by 5.50%

Additional Information (unaudited)

(continued)

TOTAL EXPENSE RATIOS (AREF BASIS)

at 31 December 2013

	2013
	£
Management fees	4,060,190
Fund Operating Expenses	
Valuers fees	66,185
Amortised debt costs	853,490
Other administration fees	591,734
Subtotal Fund Expenses (Management fees, Fund expenses)	5,571,599
Property-specific costs	
Non-recoverable property costs	2,278,119
Real Estate Expenses (Fund management fees, Fund operating expenses, Property expenses)	7,849,718
Transaction costs	5,200,536
Performance fees	
Performance fees accrued	—
Performance fee structure	
Above a hurdle rate of 10% return on equity per annum, 20% of the excess is paid to Threadneedle Investors Property Partnership LP, increasing to 30% of the excess above a 15% return on equity per annum	
Average Net Assets (NAV)	238,520,511
	% of NAV
	per annum
Fund Management Fees	1.70%
Total Operating Expenses	0.63%
Total Expense Ratio (TER)	2.34%
Property Expense Ratio (PER)	0.96%
Real Estate Expense Ratio (REER)	3.29%
Transaction costs	2.18%
Performance fees	0.00%

The Portfolio Turnover Ratio as at 31 December 2013 was -0.90%

Additional Information (unaudited)

(continued)

About the Fund

Threadneedle Strategic Property Fund IV LP is a Scottish Limited Partnership that invests, via English Limited Partnerships, in real estate assets located throughout the UK. The Fund currently has two Feeder Vehicles being Threadneedle Strategic Property Fund IV Trust, a closed ended unit trust established in Jersey and Threadneedle Strategic Property Fund IV Luxembourg SA SICAV SIF, a closed ended investment company with variable share capital (SICAV) created under SIF Law and incorporated as a Luxembourg public limited company, societe anonyme (SA). Further details can be found in the relevant Private Placement Memorandum. It is anticipated that the Fund will exist for a period of 5 years from the Final Closing Date of 16 December 2009, subject to an extension of up to two one year periods at the sole discretion of the General Partner, and thereafter with Limited Partners' Special Consent in accordance with the Partnership Agreement dated 19 March 2009, as amended on 3 July 2009 and 19 October 2009. Further details in relation to the Fund can be found in the Private Placement Memorandum.

The Partnership is due to terminate on 3 July 2014, however the General Partner has extended the life of the Partnership for a further twelve months from the date of termination.

Valuations

The investment properties in the Limited Partnerships are 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. Quarterly 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. CBRE Limited hold 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.

Management of the Partnership

The roles and responsibilities of all parties involved in running the Fund who have obligations or the ability to set and implement policies or strategies relating to the management of the Fund can be found in the current Private Placement Memorandum.

Accounting Date and Distribution

The Fund's accounting year end is 31 December. Distributions of income are made quarterly, being paid as soon as practical following 5 April, 30 June, 30 September and 31 December.

Borrowing Powers

Under the terms of the LPA, the Partnership and Limited Partnerships will in aggregate not exceed 65% of the value of the Partnership's gross assets at the point of the relevant borrowing.

Derivative Exposure

The Partnership and Limited Partnerships may invest in financial instruments such as derivatives and/or seek to hedge against fluctuations in the relative values of its portfolio positions, such as by reducing adverse movements in interest rates and securities prices.

Business Continuity Strategy

Threadneedle 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 dedicated recovery sites attended by critical staff. These exercises are externally audited. Threadneedle was short-listed for the CIR Business Continuity Strategy of the Year award in 2007 and was again short listed for the same award in 2009.

Social Responsibility

Threadneedle is actively committed to maximising its investment returns through the pursuance of good governance and socially responsible investment practices. Threadneedle are signatories to the United Nations Principles for Responsible Investment (UN PRI).

Threadneedle believe that the analysis of governance, social, ethical and environmental factors should be incorporated into stock selection to impact returns. Consequently, management of the risks and opportunities presented by these factors is integral to our investment decision-making process.

Management and Administration of the Partnership

General Partner

Sackville SPF IV Property (GP) Limited
60 St Mary Axe
London
EC3A 8JQ

Investment Committee

Don Jordison BSc (Hons) MBA MRICS
William Davies (Hons)
John Willcock ACMA MAAT

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Managing Agents

GBR Phoenix Beard
7-10 Chandos Street
Cavendish Square
London
W1G 9EH

Workman LLP

Alliance House
12 Caxton Street
London
SW1H 0QS

Banker

Lloyds Bank plc
City Office
Gillingham
Kent
ME8 0LS

Manager

Threadneedle Portfolio Services Limited
(see note 15 in Notes to Financial Statements)
60 St Mary Axe
London
EC3A 8JQ

Property Advisor

Threadneedle Property Investments Limited
60 St Mary Axe
London
EC3A 8JQ

Standing Independent Valuer

CBRE Limited
St Martins Court
10 Paternoster Row
London
EC4M 7HP

UK Legal Advisors

Hogan Lovells International LLP
Atlantic House
50 Holborn Viaduct
London
EC1A 2FG

Important Information

This document is not an offer to invest in the Threadneedle Strategic Property Fund IV LP. An investment in the Fund can only be made on the basis of the Private Placement Memorandum which sets out more detailed information about the Fund, including risk factors and tax considerations for potential investors. Nothing in this document should be taken as a recommendation to acquire an interest in the Fund.

The information and opinions contained in this document are for background purposes only and do not purport to be full or complete. The research and analysis included in this document has been produced by Threadneedle for its own investment management activities, may have been acted upon prior to publication and is made available here incidentally. In some instances the information contained in this publication, other than statements of fact, was obtained from external sources believed to be reliable but its accuracy or completeness cannot be guaranteed. Any opinions expressed are made as at the date of publication but are subject to change without notice.

Investment in the Fund carries substantial risk. There can be no assurance that the Fund's investment objective will be achieved. The value of the Fund's investments and the income derived from those investments is not fixed and may fall as well as rise. There can be no guarantee that any appreciation in the value of the Fund's investments will occur. Exchange rate movements may also affect the value of an investment.

Past performance is not a guide to future returns. The value of property is a matter of a valuer's opinion and the true value may not be recognised until the property is sold. The performance of the Fund would be adversely affected by a downturn in the Property market. Distribution of this document and the offering of interests in the Fund in certain jurisdictions may be restricted. Persons into whose possession this document comes are required to inform themselves about and to observe any such restrictions. The Threadneedle Strategic Property Fund IV LP is an unregulated collective investment scheme in the UK. As such, the Fund may not be offered or sold in the UK except as permitted by the Financial Services and Markets Act 2000 and the regulations/FCA Rules made under it. This document may not be communicated to any person in the UK except in circumstances permitted by the Act or those regulations/rules. Investors are advised that the protections afforded by the UK regulatory system may not apply to an investment in the Fund and compensation will not be available under the UK Financial Services Compensation Scheme. Prospective investors should seek independent taxation advice as to their own position.

Issued by Threadneedle Portfolio Services Limited, Registered in England and Wales, Registered No. 285988, Registered office: St Mary Axe, London EC3A 8JQ, United Kingdom. Authorised and regulated in the UK by the Financial Conduct Authority. Threadneedle is a brand name and both Threadneedle name and logo are trademarks or registered trademarks of the Threadneedle group of companies.

Threadneedle Investments (Channel Islands) Limited is the Manager of Threadneedle Strategic Property Fund IV Trust which is a Jersey Unclassified Expert Fund. Both have their Registered Office at Liberte House, 19-23 La Motte Street, St Helier, Jersey JE2 4SY and both are regulated by the Jersey Financial Services Commission.