

SACKVILLE SPF IV PROPERTY (GP) LIMITED

(Registered Number: 6791531)

**Report and Financial Statements
for the year ended
31 December 2014**

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Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2014

	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 2014

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
Cannon Place
78 Cannon Street
London
EC4N 6AG

Independent auditors

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

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their Strategic Report of Sackville SPF IV Property (GP) Limited (“the Company”) for the year ended 31 December 2014. 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 £15,767 (2013: £15,419).

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 July 2015

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2014

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014

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 (2013 £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 2014

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014 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 2014

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

On behalf of the Board



J M Willcock
Director
20 July 2015

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2014

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 2014

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

Report on the financial statements

Our opinion

In our opinion, Sackville SPF IV Property (GP) Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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

What we have audited

Sackville SPF IV Property (GP) Limited's financial statements comprise

- the balance sheet as at 31 December 2014,
- the profit and loss account for the year then ended, 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 the preparation of the financial statements 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report, the Directors' Report and the Statement of Directors' Responsibilities 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.

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2014

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

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 International Standards on Auditing (UK and Ireland) ("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

What an audit of financial statements involves

We conducted our audit in accordance with 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

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

In addition, we read all the financial and non-financial information in the 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



Alex Bertolotti (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 July 2015

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2014

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Turnover	2	20,000	20,000
Interest receivable and similar income	4	83	89
Profit on ordinary activities before taxation	5	20,083	20,089
Tax on profit on ordinary activities	6	(4,316)	(4,670)
Profit for the financial year		15,767	15,419

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 financial 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 2014

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £	2013 £
Current assets			
Debtors	7	20,000	40,000
Cash at bank and in hand		84,600	44,518
		<u>104,600</u>	<u>84,518</u>
Creditors:			
Amounts falling due within one year	8	(21,989)	(17,674)
Net assets		<u>82,611</u>	<u>66,844</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	82,609	66,842
Total shareholders' funds	11	<u>82,611</u>	<u>66,844</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 July 2015 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 2014

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 2014

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 (2013 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:

	2014 £	2013 £
Aggregate emoluments in respect of qualifying services	189,317	174,743
Pension contributions	290	370
	<u>189,607</u>	<u>175,113</u>

One director (2013 one) 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 (2013 four) directors under a defined benefit scheme.

	2014 £	2013 £
In respect of the highest paid director:		
Aggregate emoluments and amounts receivable under long-term incentive plans	<u>77,912</u>	<u>68,080</u>
Defined benefit pension scheme:		
Accrued pension at end of year	<u>3,206</u>	<u>2,750</u>

The highest paid director received (2013 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 in both the current and previous years.

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2014

4. Interest receivable and similar income

	2014 £	2013 £
Bank interest receivable	<u>83</u>	<u>89</u>

5. Profit on ordinary activities before taxation

The audit fee of £4,150 (2013 £2,900) 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 (2013 £nil).

6. Tax on profit on ordinary activities

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

	2014 £	2013 £
Current tax:		
UK corporation tax on profits of the year	4,316	4,670
Total current tax	<u>4,316</u>	<u>4,670</u>

b) Factors affecting the current tax charge on ordinary activities

The tax assessed for the year is equivalent to (2013 equivalent to) the standard rate of corporation tax in the UK of 21.49% (2013 23.25%)

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>20,083</u>	<u>20,089</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.49% (2013 23.25%)	4,316	4,670
Current tax charge for the year	<u>4,316</u>	<u>4,670</u>

7. Debtors

	2014 £	2013 £
Amounts due from the Partnership	<u>20,000</u>	<u>40,000</u>

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2014

8. Creditors: Amounts falling due within one year

	2014 £	2013 £
Amounts due to group undertakings	12,412	7,743
Inter-company payable in relation to corporation tax	9,577	9,931
	<u>21,989</u>	<u>17,674</u>

The amounts due from group undertakings are unsecured, repayable on demand and are interest free

9. Called up share capital

	2014 £	2013 £
Authorised		
1,000 (2013 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
2 (2013 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. Movement in reserve

	Profit and loss account £
At 1 January 2014	66,842
Profit for the financial year	15,767
At 31 December 2014	<u>82,609</u>

11. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	66,844	51,425
Profit for the financial year	15,767	15,419
Closing shareholders' funds	<u>82,611</u>	<u>66,844</u>

Sackville SPF IV Property (GP) Limited
Report and Financial Statements for the year ended 31 December 2014

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 2014. 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

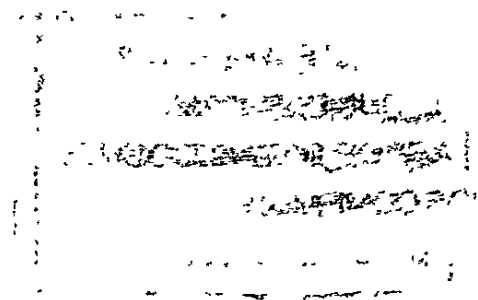
The Company is a general partner in the Threadneedle Strategic Property Fund IV LP (“the Partnership”), a property limited partnership

Amounts recognised in the year from the Partnership in respect of the general partner’s profit share were £20,000 (2013 £20,000). As at 31 December 2014, £20,000 (2013 £40,000) 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

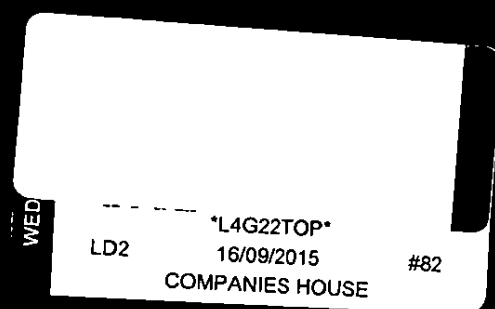
The Company acts as general partner to the Partnership. In acting as general partner the Company enters into transactions on behalf of the Partnership. None of these transactions give any right of recourse to the assets of the Company





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 2014	14 – 15
Notes to the Financial Statements	16 – 17
Additional Information (unaudited)	18 – 21
Management and Administration of the Partnership	22

Important Information

For Investment Professionals use only and not to be relied upon by private investors

This document is not an offer to invest in the Threadneedle Strategic Property Fund IV ("Fund IV"). 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.

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.

Fund IV 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.

In the UK, the Trust is unregulated collective investment schemes for the purposes of Section 238 of the Financial Services and Markets Act 2000. Accordingly, this document may only be communicated in the UK to persons described in the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) Exemptions Order 2001 and to persons whom units are permitted to be promoted in accordance with the FCA's Conduct of Business 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.

In Jersey, the Trust, which is regulated by the Jersey Financial Services Commission, are treated as an unclassified fund for the purposes of the Collective Investment Funds (Jersey) Law 1998. The Manager of the Trust is Threadneedle Investments (Channel Islands) Limited, Registered No. 82489. Registered in Jersey and regulated by the Jersey Financial Services Commission. The correspondence address for the Trust is Liberte House, 19-23 La Motte Street, St Helier, Jersey, JE2 4SY. Units in the Trust may only be promoted in accordance with the aforementioned legislation. This document should not be circulated to private investors.

Threadneedle Strategic Property Fund IV Luxembourg SA SICAV-SIF is managed by the Board of Directors. Registered Office 11-13, Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg. RCS Number B 146 228. Threadneedle is a brand name, and both the Threadneedle name and logo are trademarks or registered trademark of the Threadneedle group of companies.

This document does not constitute or form any part of any offer to issue or sell, or any solicitation of any offer to subscribe or purchase any units or shares, nor shall it or the fact of its distribution form the basis of, or be relied on in connection with any contract therefore.

The Manager of the Partnership is Threadneedle Portfolio Services Limited, whose Registered Office is 60 St Mary Axe, London EC3A 8JQ. Registered in England and Wales, No. 285988. Authorised and regulated by the Financial Conduct Authority. Threadneedle is a brand name, and both the Threadneedle name and logo are trademarks or registered trademarks of the Threadneedle group of companies.

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

Fund Manager's Report*

Highlights

- **Investment activity** – During the 2014 calendar year, in addition to £133 million of disposals made in prior years, Fund IV completed £286 million of further disposals as part its current divestment strategy. The Investment Portfolio at the year-end comprised 10 properties (73 adjusted for the New York portfolio) valued at £238 million.
- **Investor equity commitments and drawdowns** – Total Investor equity commitments drawn by Fund IV peaked at £279 million in 2011, all of which has been repaid to investors throughout 2014 and prior years. Capital distributions took the form of the repayment of equity and capital gains, generated from a combination of early stage opportunistic investment disposals and as a result of its current divestment strategy.
- **Debt finance** – During the 2014 calendar year Fund IV successfully completed the re-financing of its existing loan facilities, securing a new single £220 million loan facility with Wells Fargo Bank N A, London Branch for a further 2 years and on preferential terms to its existing facilities. Following investment disposals, as at the 2014 year end Fund IV had repaid £117 million of the new loan, reducing outstanding debt to £103 million.
- **Hedging strategy** – As part of the re-financing Fund IV was required to maintain interest rate hedging in relation to 50% of outstanding debt. In order to satisfy this requirement Fund IV acquired a low cost Interest Rate Cap Contract with a reducing cover profile, providing the flexibility required for a fund continuing an asset disposal strategy whilst also seeking to benefit from the continuing low interest rate environment.
- **Fund Termination Date** – The original maturity date of Fund IV was 3 July 2014, being the 5th anniversary of the first equity close. As advised to the Investors Advisory Committee, the General Partner exercised its discretion to extend the maturity date on two occasions, firstly to 3 July 2015 and finally to 3 July 2016, the latter being to accommodate the revised loan term.

Market Background

The UK commercial property market, as represented by the IPD Monthly Index, generated an All Property Total Return of +19.3% for the 12 months to 31 December 2014 (+10.9%, 2013). Ignoring the +0.6% compound adjustment, the capital return for the year increased to +12.4%, in comparison to +3.9% in 2013, whereas the income return reduced to +6.3% from +6.9% in 2013, primarily as a result of yield compression.

Looking back at the state of the UK commercial property prior to 2014, this time last year, investors were seeking to hedge against the expected tapering of quantitative easing and gain exposure to the resurgent UK economy. Meanwhile problems that had been overhanging the property market since 2007 in the form of impaired and non-performing loans concentrated on the balance sheets of UK banks had gradually been resolved. Thus the propellant for the property market to surge forward was placed in the chamber and ignited in 2013 and powered the market throughout 2014.

Our view is that there continues to be almost a perfect alignment of positives for UK commercial property, with the interest rate cycle, the credit cycle and the economic cycle all in a highly supportive phase. In addition, the supply cycle is positive given the relatively low levels of space coming on to the market. Consequently there is currently a tolerance of risk that has resulted in competitive bidding taking place across all categories – retail, office, industrial – in the South, the Midlands and the North. In other words, there is almost a celestial alignment of positive forces that should allow the property market to make further progress, which is recognised by investors. Furthermore, such investors are from a wide grouping spanning across private individuals, institutions and global sovereign wealth funds.

The current UK property market is certainly conducive to Fund IV's continuing divestment strategy, with high quality properties upon which value-added asset management opportunities have been concluded, being targeted for disposal.

Overview

Since inception Fund IV has drawn from investors and deployed £279 million of investor equity in securing an investment portfolio valued at its peak, at over £570 million (Q3-2011). To date, the Fund Manager has concluded investment disposals totaling £419 million, and during 2015 will continue to target further asset disposals as part of its concluding divestment strategy. As a result of disposals to date and net income distributions, Fund IV has made total distributions to investors of £280 million, fully repaying investors original drawn and deployed equity. Distributions consisted £185 million of equity at cost, £43 million of capital gains and £52 million of net income.

In the early stages of Fund IV's lifecycle 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 Fund IV's performance prospects, whilst not increasing its overall risk profile. The £419 million of investment disposals to date have crystallised significant capital gains for investors, and Fund IV's remaining £238 million investment portfolio is considered to be of high quality and well placed to contribute further in line with Fund IV's current divestment strategy.

In addition to the investment disposals, the key focus of the Fund Manager has been the conclusion of various value-added asset management opportunities targeted at enhancing capital values across the respective investment properties at the point of disposal.

At its peak, alongside £279 million of investor equity, Fund IV also deployed £280 million of debt finance into the UK commercial property market. During 2014 Fund IV successfully completed the re-financing of its existing loan facilities, securing a new

*Unless otherwise stated all information sourced from Threadneedle Portfolio Services Limited as at 31 December 2014.

Please note past performance is not a guide to future returns

Fund Manager's Report *(continued)*

Overview *(continued)*

standalone £220 million loan facility with Wells Fargo Bank N A , London Branch for a further 2 years and on preferential terms to its existing facilities. As a result of continuing investment disposals, during 2014, £117 million of the new loan had been repaid, leaving an outstanding loan balance of £103 million at the year end with the Fund's loan-to-value covenant to 43%.

In terms of interest rate hedging, as part of the aforementioned re-financing, Fund IV was required to maintain interest rate hedging representing 50% of outstanding debt. In order to comply, Fund IV acquired a low cost Interest Rate Cap Contract with a reducing cover profile, providing the flexibility required for a fund continuing an asset disposal strategy whilst also seeking to benefit from the continuing low interest rate environment.

The maturity date of Fund IV was originally 3 July 2014, being the 5th anniversary of the first equity closing. As previously advised to the Investors and the Investors Advisory Committee ("IAC"), the General Partner has exercised its discretion on two occasions to extend Fund IV's maturity date to 3 July 2015 and most recently to 3 July 2016, the latter extension being in order for the Fund to comply with its revised loan term upon re-financing. No further extensions are anticipated and Fund IV continues to make good progress in terms of its divestment strategy.

Transaction activity and the investment portfolio

During 2014, Fund IV's make excellent progress in terms of investment disposals, with further disposals being made at an opportune time in terms of investment market pricing, crystallising significant capital gains for investors. Due to the current investment market dynamics referred to earlier in this paper, the Fund Manager is continuing to target further investment disposals from Fund IV's remaining investment portfolio.

Fund IV's investment portfolio at the 2014 year end, excluding the New York portfolio, comprised 9 remaining properties valued at £211 million with an average lot size of £20-25 million. In terms of the New York portfolio, substantial realisations have also been made, with the portfolio comprising 64 properties at the year-end valued at £27 million. With the current strong investment market conditions and all major value-added asset management initiatives having now concluded, the Fund Manager is targeting completion of the disposal of Fund IV's remaining assets over the balance of 2015/early 2016.

Performance

The performance of Fund IV during 2014, derived from capital gains secured upon asset disposals, further unrealised capital gains on its existing investment portfolio and a continued robust net income return, has been exceptionally strong. Fund IV's Total Return to its limited partners since launch, has increased to +85% (2013, +37%), and its Internal Rate of Return ("IRR") has increased to 11.8% (2013, +7.2%). Returns are quoted net of asset level buying costs, with c£28m of such costs (c 5% of the acquisition price of investments) fully absorbed into Fund IV's net asset value.

Fund IV's IRR of +11.8% has moved above its hurdle rate of +10%. 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.

Across 2014, the net income distribution yield for Fund IV averaged c5.6% per annum. Moving forward, the income yield will be of less significance and will inevitably fluctuate as Fund IV continues to conclude its divestment strategy.

To conclude, Fund IV has had an exceptional year in terms of its overall fund performance, progress with asset disposals, loan re-financing and conclusion of key asset management on resultant assets. In line with its divestment strategy the Fund Manager remains totally focused upon the disposal of all remaining assets into a currently strong investment market, with a view to maximising exit pricing in order to locking in and potentially deliver further capital gains.

Don Jordison
February 2015

Please note past performance is not a guide to future returns

Property Portfolio and Fund Level Information*

Key financial and property data	31/12/2014	31/12/2013
Number of properties	73	148
Lettable space in ft ²	889,115	2,688,268
Value of investment property	237,621,000	442,288,334
Partners' Interests*	154,023,042	251,795,330
Annual rental revenues	11,813,499	31,034,733
Annual estimated rental value (ERV)	15,342,779	29,658,887
Current initial yield	4.7%	6.7%
Vacancy rate (% of ERV)	4.6%	1.4%
Weighted average lease length	7.5 years	7.8 years
Gearing (loan to Value)	43.5%	44.7%

*Net of Sackville SPFIV Property (GP) Limited's interest of £20,000 (2013: £40,000)

Investment and Divestment Activity

During the year to 31 December 2014, the Fund disposed of seventy-five and acquired no properties during the year

Valuations

The table below shows the year end valuation of the Portfolio versus net purchase prices. The Portfolio is valued in accordance with the RICS Red Book guidelines by the Fund's valuers, CBRE Limited. The valuation was £237,621,000.

The valuation of the Portfolio as at 31 December 2014 is 30.7% above the book cost, with the valuation increase in those properties that were held at 31 December 2014, being 22.3%. During the year ended 31 December 2014, the net initial yield dropped from 6.7% to 4.7%.

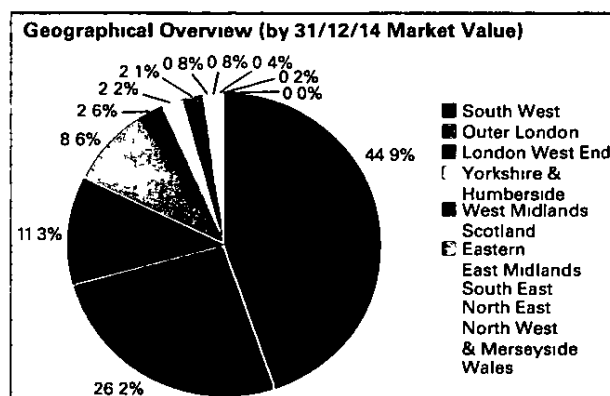
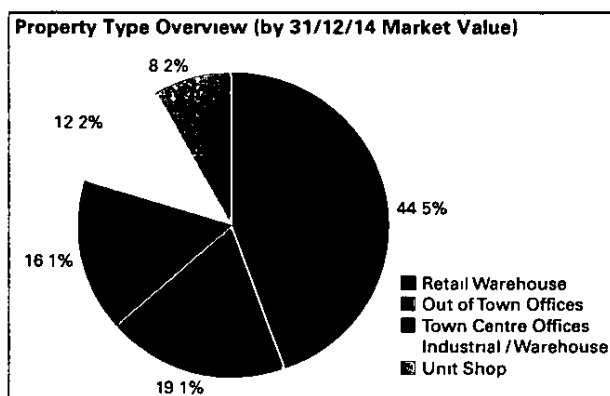
Property Valuation Summary

Property	Book Cost £	Value at		Increase/Decrease against Value at 31/12/13 £
		31/12/14 £	31/12/13 £	
Oxford, Garsington Road	14,738,010	19,425,000	16,375,000	18.6%
Cheltenham, Centrum Park	27,267,909	33,600,000	32,300,000	4.0%
Aberdeen, Berryden Retail Park	26,942,945	22,775,000	22,500,000	1.2%
Banbury, Southam Road	7,717,473	7,350,000	6,625,000	10.9%
Wimbledon, St Georges House	29,438,988	52,750,000	36,000,000	46.5%
Normanton, U 1&2, Foxbridge Way	5,199,837	4,585,000	4,060,000	12.9%
Letchworth, 11 East Cheap	1,975,188	1,925,000	1,900,000	1.3%
Selby, Abbey Retail Park	11,944,699	15,175,000	12,950,000	17.2%
London NW1, 39 Plender Street	28,845,302	53,000,000	36,400,000	45.6%
New York Portfolio	27,759,946	27,036,000	25,169,084	7.4%
Total – Held Property	181,830,297	237,621,000	194,279,084	22.3%
New York Portfolio (disposals)	-	-	35,044,250	-
Ealing, Uxbridge Road	-	-	18,540,000	-
Leeds, Leeds Valley Park	-	-	19,000,000	-
Wolverhampton, Steel Park	-	-	35,000,000	-
Stockton-on-Tees, Portrack Lane	-	-	1,450,000	-
Rotherham, Canklow Meadows	-	-	3,525,000	-
Sittingbourne, Dolphin Park	-	-	875,000	-
East Grinstead, Imberhorne Way	-	-	1,100,000	-
Manchester, Westover Street	-	-	3,350,000	-
Luton, Unit 14 Cosgrave Way	-	-	1,400,000	-
Slough, Slough Retail Park	-	-	45,200,000	-
Hull, St Andrews Quay Retail Park	-	-	83,525,000	-
Total – Including disposal property	181,830,297	237,621,000	442,288,334	-50.2%

*Source data: Threadneedle Portfolio Services Limited as at 31 December 2014

Please note past performance is not a guide to future returns

Property Portfolio and Fund Level Information *(continued)*



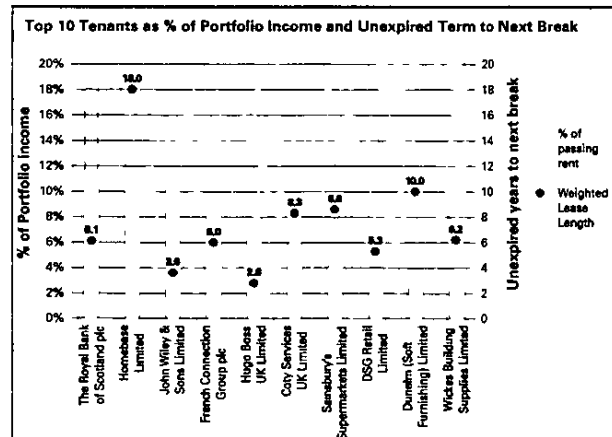
Property Portfolio Summary

Property	Area ft ²	Annual rent £	Weighted lease length to next break (years)
Oxford, Garsington Road	65,556	1,233,063	3.6
Cheltenham, Centrum Park	139,984	2,215,016	15.2
Aberdeen, Berryden Retail Park	84,566	1,437,484	4.9
Banbury, Southam Road	35,468	525,430	6.2
Wimbledon, St Georges House	82,383	851,483	6.9
Normanton, U 1&2, Foxbridge Way	75,739	270,620	7.0
Letchworth, 11 East Cheap	29,096	148,000	9.6
Selby, Abbey Retail Park	76,302	837,501	7.7
London NW1, 39 Plender Street	81,123	1,956,950	4.4
New York Portfolio	218,898	2,337,951	6.8
Total	889,115	11,813,499	7.5

Property Portfolio and Fund Level Information *(continued)*

Tenant distribution

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

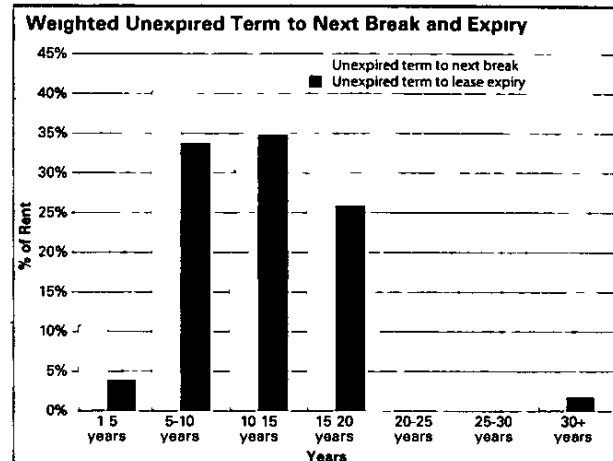


The top 10 tenants collectively account for 76.6% of the annual rental income

Top 10 tenants	Annual rent £	% of annual rent
The Royal Bank of Scotland plc	2,128,282	18.0%
Homebase Limited	1,375,000	11.6%
John Wiley & Sons Limited	1,233,062	10.4%
French Connection Group Plc	1,018,000	8.6%
Hugo Boss UK Limited	919,000	7.8%
Coty Services UK Limited	703,528	6.0%
Sainsbury's Supermarkets Ltd	495,000	4.2%
DSG Retail Limited	441,500	3.7%
Dunelm (Soft Furnishings) Ltd	375,000	3.2%
Wickes Building Supplies Limit	363,094	3.1%
Sum 10 largest tenants	9,051,466	76.6
Other tenants	2,762,033	23.4
Total	11,813,499	100.0

Lease Expiry Profile

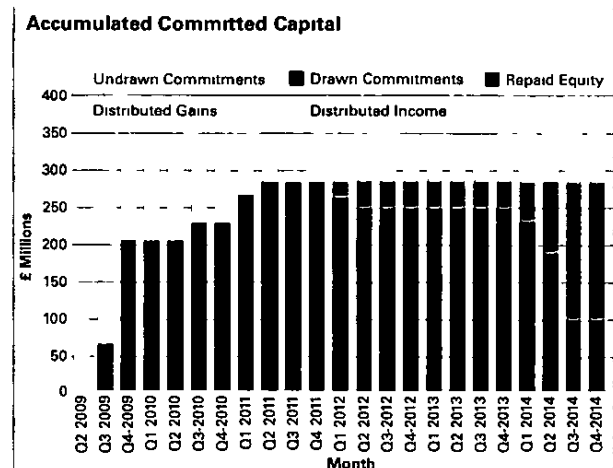
The Fund has a weighted average unexpired term to break of 7.5 years, which compares to the IPD benchmark of 8.1 years, at 31 December 2014



Capital and Investors

Committed and drawn capital

A total of £306,935,175 of equity was been committed to Fund IV. At 31 December 2014, £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 Fund IV made distributions of £180,936,128.



Property Portfolio and Fund Level Information *(continued)*

New Lettings					
Property	Tenant	Area ft²	Initial rent £	Start date	ERV
Wimbledon, St Georges House	Offshore Design Engineering (rent free until 12/03/15)	12,689	489,680	29/10/2014	532,938
Wimbledon, St Georges House	URS Infrastructure & Environment (rent free until 29/07/16)	12,680	407,025	12/05/2014	518,093
Cheltenham, Centrum Park	Euro Car Parts Limited	7,581	24,642	18/02/2014	49,277
Sittingbourne, High Street	Countrywide Estate Agents	491	16,000	20/05/2014	15,712
Sittingbourne, High Street	Harbow Limited	487	15,500	21/04/2014	15,584
Sittingbourne, High Street	New Appointments Group Limited	2,085	15,116	30/01/2014	12,510
Total		36,513	967,963		1,144,114

Property Portfolio and Fund Level Information *(continued)*

Vacancy Level			
Property	Town Centre Offices ft ²	Retail ft ²	ERV £
Wimbledon, St Georges House	13,772	–	578,424
Solihull, 1660 High Street	–	1,913	1,913
Blackpool, 87 Bond Street	–	1,413	4,592
Blackpool, 1-3 Red Bank Road	–	1,619	4,857
Hebden Bridge, 2 Crown Street	–	1,701	5,103
Kinlochleven, 7 Leven Road	–	1,358	4,074
Liverpool, St Johns/Crosby Road	–	1,208	6,644
Manchester, 78/82 Church St	–	4,359	17,436
Manchester, 1051 Oldham Road	–	1,463	5,852
Matlock, 8-10 Snitterton Road	–	3,244	9,732
Sheffield, 106 The Moor	–	2,940	14,700
Dalton-in-Furness, Market St	–	1,315	3,945
Ellesmere Port, Whitby Road	–	7,240	37,913
Keswick, 26 & 28 Main Street	–	135	270
Mossley, Bank Chambers	–	1,567	2,351
Newton Stewart, 40 Victoria St	–	1,204	4,816
Pembroke, 27 Main Street	–	1,055	3,165
Penrith, Central Buildings	–	1,345	2,018
Total	13,772	35,079	707,805

As a percentage of floor area, the vacant rate is 5.5%, whilst the vacancy rate as measured by estimated rental value is 4.6%

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 2014.

Review of the business

In respect of investment activity the Limited Partnerships disposed of seventy-five properties. No acquisitions took place during the year. As at 31 December 2014, the Limited Partnerships held seventy-three properties in their property investment portfolios.

The profit for the year ended 31 December 2014 amounted to £40,957,976 (2013: £16,264,547) which when added to the surplus on revaluation of investments of £42,185,864 (2013: £19,122,763) resulted in a total recognised gain for the year of £83,143,840 (2013: £35,387,310). A total of £8,451,269 (2013: £14,943,343) was distributable as income to Partners in the year. The Partnership made distributions of £180,936,128 to Partners during the year (2013: £14,269,697).

A fall in income from the Limited Partnerships was due to a fall in rental income, principally caused by movements in tenant lease incentives and as a result of property disposals in the year. The Partnership reported a surplus from revaluation of investments for the year ended 31 December 2014, which can be attributed to general market conditions.

Future developments

The Partnership was due to terminate on 3 July 2015, however the General Partner has extended the life of the Partnership for a further twelve months until 3 July 2016.

The Limited Partnerships have completed four sales since 31 December 2014 for a gross selling price of £2,428,176.

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 2014 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 Rigg

Director of Sackville SPF IV (GP) Limited

Date: 17 February 2015

Members' Report

Partners

The Partners throughout the year and up to the date of signing the financial statement 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-FIS	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

- 1. select suitable accounting policies and then apply them consistently,
- 2. make judgements and accounting estimates that are reasonable and prudent,
- 3. state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 4. 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 Rigg

Director of Sackville SPF IV (GP) Limited

Date 17 February 2015

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

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Threadneedle Strategic Property Fund IV LP's financial statements (the "financial statements")

- ☐ give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2014 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

What we have audited

Threadneedle Strategic Property Fund IV LP's financial statements comprise

- ☐ the Balance Sheet as at 31 December 2014,
- ☐ 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,
- ☐ the Cash Flow Statement for the year then ended, 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 the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the members 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

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

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 in respect of the financial statements 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 International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinion, 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 this opinion, 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

What an audit of financial statements involves

We conducted our audit in accordance with 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

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

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



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

London

17 February 2015

Financial Statements for the Year Ended 31 December 2014

Profit and Loss Account

for the year ended 31 December 2014

	Notes	2014 £	2013 £
Income from investments in Limited Partnerships	1	8,501,678	15,007,383
GROSS PROFIT		8,501,678	15,007,383
Administration expenses	2	(50,228)	(63,985)
OPERATING PROFIT		8,451,450	14,943,398
Realised gain on investments in Limited Partnerships		32,506,707	1,321,204
Interest payable	4	(181)	(55)
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		40,957,976	16,264,547

Statement of Total Recognised Gains and Losses

for the year ended 31 December 2014

		2014 £	2013 £
Profit for the financial year		40,957,976	16,264,547
Surplus on revaluation of investments	5	42,185,864	19,122,763
TOTAL RECOGNISED GAINS FOR THE YEAR		83,143,840	35,387,310

Note of Historical Cost Profits and Losses

for the year ended 31 December 2014

		2014 £	2013 £
Reported profit on ordinary activities before taxation		40,957,976	16,264,547
Realisation of valuation losses of previous years		(10,111,689)	(752,205)
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		30,846,287	15,512,342

Balance Sheet

as at 31 December 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Investment in Limited Partnerships	5	152,362,094	247,219,453
		152,362,094	247,219,453
CURRENT ASSETS			
Debtors amounts falling due within one year	6	1,292,140	3,989,153
Cash at bank		879,406	641,374
		2,171,546	4,630,527
TOTAL ASSETS		154,533,640	251,849,980
Creditors amounts falling due within one year	7	1,599,746	3,908,726
Creditors amounts falling due after more than one year	8	152,933,894	247,941,254
TOTAL LIABILITIES	9,10	154,533,640	251,849,980

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 2015 and were signed on its behalf by


J Rigg
Director of Sackville SPF IV Property (GP) Limited

Financial Statements for the Year Ended 31 December 2014

(continued)

Cash Flow Statement

for the year ended 31 December 2014

	Notes	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	11	11,624,411	13,683,680
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(181)	(55)
Preferred return on Partner loans		(1,061,330)	—
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(1,061,511)	(55)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS			
Disposal of investments		169,549,930	—
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		169,549,930	—
FINANCING			
Partner loans repaid in the year		(179,874,798)	(14,269,697)
NET CASH OUTFLOW FROM FINANCING		(179,874,798)	(14,269,697)
INCREASE/(DECREASE) IN CASH IN THE YEAR		238,032	(586,072)
RECONCILIATION TO NET DEBT			
Net debt at 1 January		641,374	1,227,446
Increase/(decrease) in cash in the year		238,032	(586,072)
NET DEBT AT 31 DECEMBER	12	879,406	641,374

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 2014

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 underlying 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.

Cash at Bank

Cash at bank includes cash 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 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 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' Distribution Account

2 ADMINISTRATIVE EXPENSES

	2014 £	2013 £
Services provided by the Partnership's Auditors		
– Fees payable for the audit	15,391	12,590
– Fees payable for other services	1,764	8,568
Other expenses	33,073	42,827
	<u>50,228</u>	<u>63,985</u>

3 EMPLOYEES

The number of persons working for the Partnership during the year was nil (2013 nil)

4 INTEREST PAYABLE

	2014 £	2013 £
Bank charges	181	55
	<u>181</u>	<u>55</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 2014 £			
Name of Limited Partnership				
Threadneedle Strategic Property Fund IV Sub Partnership No 1 LP ("TSPF IV LP 1")				81,546,175
Threadneedle Strategic Property Fund IV Sub Partnership No 2 LP ("TSPF IV LP 2")				17,480,009
Threadneedle Strategic Property Fund IV Sub Partnership No 3 LP ("TSPF IV LP 3")				53,335,910
				<u>152,362,094</u>
Represented by				
	TSPF IV LP 1 £	TSPF IV LP 2 £	TSPF IV LP 3 £	Total £
At 1 January				
2014	98,864,830	20,370,760	127,983,863	247,219,453
Increase in valuation	19,420,691	2,402,996	20,362,177	42,185,864
Realised gain on investment	4,415,387	906,253	27,185,067	32,506,707
Loan repaid	(41,154,733)	(6,200,000)	(122,195,197)	(169,549,930)
At 31 December				
2014	<u>81,546,175</u>	<u>17,480,009</u>	<u>53,335,910</u>	<u>152,362,094</u>

6 DEBTORS amounts falling due within one year

	2014 £	2013 £
Accrued net income due from investments	1,111,946	3,870,169
Other debtors	180,194	118,984
	<u>1,292,140</u>	<u>3,989,153</u>

7 CREDITORS amounts falling due within one year

	2014 £	2013 £
Other creditors	10,809	14,651
Accrued net deficit due to investments	479,789	–
Amounts due to Limited Partners and General Partner	1,109,148	3,984,075
	<u>1,599,746</u>	<u>3,908,726</u>

Notes to the Financial Statements (continued)

for the year ended 31 December 2014

8 CREDITORS amounts falling due after more than one year

	2014	2013
	£	£
Amounts falling due after one year		
Amounts due to Partners	152,933,894	247,941,254
	<u>152,933,894</u>	<u>247,941,254</u>

9 RECONCILIATION OF MOVEMENTS IN PARTNERS' INTERESTS

	As at 1 January 2014	Movement in Loan Contribution Account	Movement in Revenue Account	Movement in Net Capital Distribution Account	Movement in As at 31 December 2014
	£	£	£	£	£
Return	71,956,695	-	8 451 268	74 692 571	154 039 205
Capital and loans	179 878 635	(179 874 798)	-	-	3,837
Net change in Partners interests	<u>251 835,330</u>	<u>(179 874 798)</u>	<u>8 451 268</u>	<u>74 692 571</u>	<u>154 043,042</u>

10 PARTNERS' INTEREST AS AT 31 DECEMBER 2014

Partners	Capital Contribution Account £	Loan Contribution Account £	Revenue Account £	Net Capital Distribution Account £	Total £
Threadneedle Strategic Property Trust IV	2 406	-	41 246 981	80 314 375 (800 750)	120 763 012
Threadneedle Strategic Property Fund IV SA SICAV SIF	433	-	7 417 759	14 443 545 (144 034)	21 717 703
Tredje AP – Fonden	200	-	3,427 879	6 674 621 (66 561)	10 036 139
CPPI II Investment Limited	13	-	214 242	417 164 (4,166)	627,259
Compass Property Partners Intl II – A LP	18	-	299 939	584 029 (5,824)	878 162
Sackville SPF IV Property (GP) Limited	-	-	110 000	- (90 000)	20 000
Threadneedle Investors Property Partnership LP	767	-	-	-	767
	3 837	-	52,716,800	102,433 734 (1,111,329)	154,043,042

Maturity Profile

	£
Due in one year or less	1,109,148
Due in more than one year	<u>152 933 894</u>
	<u>154 043 042</u>

PARTNERS' INTEREST AS AT 31 DECEMBER 2013

Partners	Capital Contribution Account £	Loan Contribution Account £	Revenue Account £	Net Capital Distribution Account £	Total £
Threadneedle Strategic Property Trust IV	2,406	141,032,987	34 638,345	21 750 785	- 197 422 523
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
	3,837	179 874 798	44 265 531	27 741 163	(50 000) 251 835,329

Maturity Profile

	£
Due in one year or less	3,894 075
Due in more than one year	<u>247 941 254</u>
	<u>251 835,329</u>

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

	2014	2013
	£	£
Operating profit	8,451,450	14,943,398
Decrease/(increase) in debtors	2,697,013	(416,597)
Increase/(decrease) in creditors	475,948	(843,121)
Net Cash Inflow from Operating Activities	<u>11,624,411</u>	<u>13,683,680</u>

12 ANALYSIS OF NET FUNDS

	At 1 January 2014	Cash flow	At 31 December 2014
	£	£	£
Bank balance	<u>641,374</u>	<u>238,032</u>	<u>879,406</u>
	<u>641,374</u>	<u>238,032</u>	<u>879,406</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 2014. 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 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 Limited. The General Partner is considered to be the immediate controlling party

14 RELATED PARTY TRANSACTIONS

During the year ended 31 December 2014 the Limited Partnerships incurred management fees of £3,776,720 (2013 £4,060,190) from Threadneedle Portfolio Services Limited. The balance due to Threadneedle Portfolio Services Limited at 31 December 2014 was £583,078 (2013 £11,224)

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 2014 the amount allocated to the General Partner was £20,000 (2013 £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 AMOUNTS DUE TO SPECIAL LIMITED PARTNERS

Under the terms of the Limited Partnership Agreement (and subsequent Deeds of Amendment), the Special Limited Partner ("SLP") of the Partnership are entitled to a share of the profits of the Partnership

The profit accruing to the SLPs as at 31 December 2014 is £11,329,657 (2013 £nil). The Partnership has not provided for these amounts within the financial statements

Further details of the profit share calculations are available from the General Partner on request

16. 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

The Limited Partnerships have completed four sales since 31 December 2014 for a gross selling price of £2,428,176

Additional Information (unaudited)

INREV NAV CALCULATION at 31 December 2014

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

	Total
	£
NAV as per the financial statements	154,533,640
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	154,533,640
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	733
g) Deferred tax	-
h) Set-up costs	-
i) Acquisition expenses	1,165,208
j) Contractual fees	-
k) Tax effect of the adjustments	-
Diluted INREV NAV	155,699,581
l) Fair value of derivative financial instruments held for hedging	(733)
m) Fixed rate debt	-
n) Tax effect on the above adjustments	-
Diluted INREV NAV for property performance measurement for closed ended funds	155,698,848

The format of the INREV NAV as at 31 December 2014 has been presented in accordance with the latest INREV reporting layout

Additional Information (unaudited)

(continued)

TOTAL EXPENSE RATIOS (INREV BASIS) at 31 December 2014

	Actual 2014 £
Management fees	3,776,720
Fund Expenses	
Valuers fees	53,935
Other administration fees	518,263
Subtotal Fund Expenses (Management fees, Fund expenses)	4,348,918
Property-specific costs	
Amortisation of acquisition costs	2,414,196
Non-recoverable property costs	2,557,909
Total Expenses (Management fees, Fund expenses, Property costs)	9,321,023
Performance fees	
Performance fees accrued	11,329,657
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)	195,237,082
Average INREV Gross Assets (GAV)	395,074,454
Total Expense Ratio	
Subtotal Fund Expenses / Average NAV	2.23%
Subtotal Fund Expenses / Average GAV	1.10%
Real Estate Expense Ratio	
Total Expenses / Average NAV	4.77%
Total Expenses / Average GAV	2.36%
Performance Fees Charged	
Performance Fee / Average NAV	5.81%
Performance Fee / Average GAV	2.87%

Return Reduction Metric

Assuming an annual growth rate of 10%, an anticipated Real Estate Expense of 4.77%, total performance fees of 5.81%, and 0.00% initial charges, gross returns over a holding period of 5 years would be reduced by 5.26%

Additional Information (unaudited)*(continued)***TOTAL EXPENSE RATIOS (AREF BASIS)**
at 31 December 2014

	2014 £
Management fees	3,776,720
Fund Operating Expenses	
Valuers fees	53,935
Amortised debt costs	1,748,232
Other administration fees	518,263
Subtotal Fund Expenses (Management fees, Fund expenses)	6,097,150
Property-specific costs	
Non-recoverable property costs	2,557,909
Real Estate Expenses (Fund management fees, Fund operating expenses, Property expenses)	8,655,059
Transaction costs	5,192,626
Performance fees	11,329,657
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)	193,166,550

	% of NAV per annum
Fund Management Fees	1.96%
Total Operating Expenses	1.20%
Total Expense Ratio (TER)	3.16%
Property Expense Ratio (PER)	1.32%
Real Estate Expense Ratio (REER)	4.48%
Transaction costs	2.69%
Performance fees	5.87%

The Portfolio Turnover Ratio as at 31 December 2013 was 25.13%

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, société 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 2015, 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

William Davies BA (Hons)
John Willcock ACMA MAAT
Don Jordison Bsc (Hons) MA MRICS

Independent Auditors

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Managing Agents

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Workman LLP
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Banker

LloydsTSB Bank plc
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Kent
ME8 0LS

Manager

Threadneedle Portfolio Services Limited
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EC3A 8JQ

Property Advisor

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

Standing Independent Valuer

CBRE Limited
St Martin's Court
10 Paternoster Row
London
EC4M 7HP

UK Legal Advisors

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

Important Information

For Investment Professionals use only and not to be relied upon by private investors

This document is not an offer to invest in the Threadneedle Strategic Property Fund IV ("Fund IV"). 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.

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.

Fund IV 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.

In the UK, the Trust is unregulated collective investment schemes for the purposes of Section 238 of the Financial Services and Markets Act 2000. Accordingly, this document may only be communicated in the UK to persons described in the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) Exemptions Order 2001 and to persons whom units are permitted to be promoted in accordance with the FCA's Conduct of Business 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.

In Jersey, the Trust, which is regulated by the Jersey Financial Services Commission, are treated as an unclassified fund for the purposes of the Collective Investment Funds (Jersey) Law 1998. The Manager of the Trust is Threadneedle Investments (Channel Islands) Limited, Registered No. 82489, Registered in Jersey and regulated by the Jersey Financial Services Commission. The correspondence address for the Trust is Liberte House, 19-23 La Motte Street, St Helier, Jersey JE2 4SY. Units in the Trust may only be promoted in accordance with the aforementioned legislation. This document should not be circulated to private investors.

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