

FUND OBJECTIVES

The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (AREF/MSCI June 2019). It is a Common Investment Fund regulated by the Charity Commission. The Fund's objective is to invest in property throughout the UK to provide a balanced and diversified portfolio to deliver a high and secure level of income and to maintain the capital value of assets held.

KEY POINTS - 30 JUNE 2019

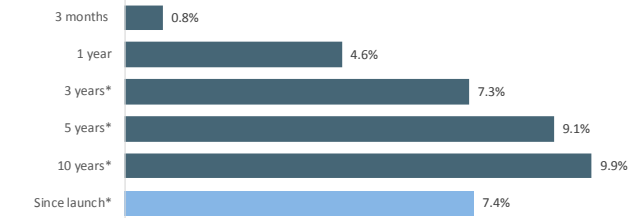
- Fund size £1.317 billion
- No debt
- Well diversified portfolio
- 126 properties and 257 tenants
- High yielding (4.8% gross and 4.2% net of costs)
- Low vacancy rate (3.8% versus MSCI at 10.2%)
- Strong covenants (87.5% rated low or negligible risk, compared to MSCI at 77.7%)
- Long average unexpired lease term of 11.6 years to expiry (9.2 years to break). MSCI: 8.3 years to expiry (7.2 years to break)
- 38.7% of income benefits from fixed or index linked rental increases

APPLICATIONS AND REDEMPTIONS

+ £26.4m of applications and (£11.2m) of redemptions were received this quarter.

Cash on deposit is £84.5 million (6.4%).

FUND PERFORMANCE



*annualised

Source: Savills Investment Management, MSCI (June 2019)

Basis: NAV-to-NAV with gross income reinvested

The Charities Property Fund launched in 2000. Performance is net of fees and expenses.

Past performance is not an indicator of future performance.

The Fund total return for Q2 2019 was 0.8% compared to the index of 0.6%. Over the last 12 months the Fund produced 4.6%, 1.2% above the AREF/MSCI All Balanced Funds Property Index which returned 3.4%.

Over the last five years the Fund has returned 9.1% per annum, compared to the index of 8.3% per annum. Over 10 years the Fund returned 9.9% per annum, compared to the index at 8.7% per annum (source: MSCI).

PURCHASES

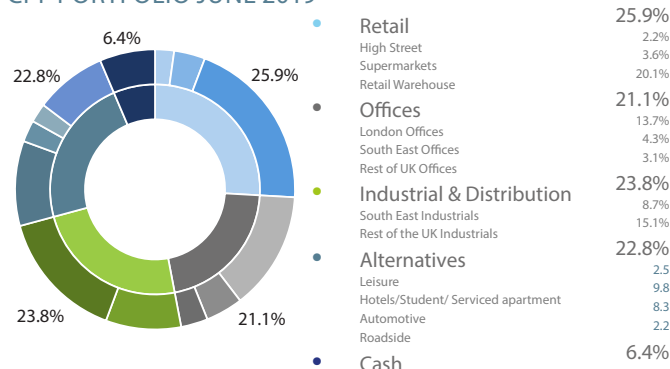
We have made two purchases this quarter, the first is a brand new distribution unit in **Bury St Edmunds**. It forms part of a new development to the east of the town next to the A14 and has been let to Unipart Logistics Limited on a new 25 year lease at a rent of £5.95 per sq ft. Unipart will be operating a newly awarded NHS contract from the building. The property is subject to a break option at the end of the 15th year and rent reviews are index linked to increase in line with the retail price index (RPI) capped and collared at 1-4% per annum. The price of £17.25 million, reflected a yield to the Fund of just over 5.0%.



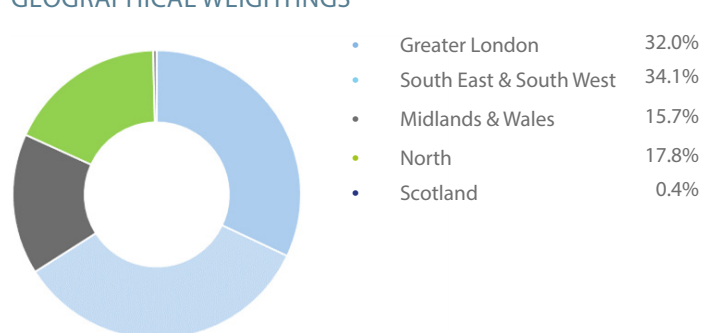
The second purchase is a mixed use building in **Brighton**. We have been in negotiations for some time to acquire this building which sits between two office buildings we already own and adjacent to the station. It benefits from retail on the ground floor and offices above. Importantly it provides us with an unbroken parade of three adjacent buildings next to the station, opening up future options for redevelopment, phased refurbishment and increased massing. It also fulfills our strategy of adding to our holdings in core quality locations. The purchase price of £3.25 million, reflected a yield to the Fund of 6.0%.



CPF PORTFOLIO JUNE 2019



GEOGRAPHICAL WEIGHTINGS



Source: Savills Investment Management, June 2019

Source: Savills Investment Management, June 2019

FUND INFORMATION - (AS AT 30 JUNE 2019)

Launch date	September 2000
Fund Size	1.317 billion
No. of investors	1,936
Historic distribution yield	4.2%*
Prospective distribution yield	4.2%**
Fund costs (TER)	0.56% per annum
Unit price	NAV - 129.19 pence
	Bid - 127.42 pence
	Offer - 131.40 pence
Bid/Offer Spread	3.0%***
SEDOL	0208075
Next distribution date	15 August
Last distribution date	1.35p per unit
Next dealing date	30 September 2019 [#]

* Based on the last four distributions declared divided by the current NAV

** Based on the next four estimated distributions divided by the current NAV

*** Assuming Fund fully invested

[#] Applications must be received on the 15th day of the month in which the Valuation Date falls (or if that is not a Business Day the preceding Business Day) for dealing on the next Dealing Date

FIVE LARGEST TENANTS

Macmillan Publishers International Limited	3.7%
Tesco Stores Limited	3.7%
Sytner Properties Limited (surety: Sytner Group Limited)	3.7%
Travelodge Hotels Limited	3.4%
Sainsbury's Supermarkets Ltd (surety: Sainsbury's plc)	3.1%
Total (across 10 locations)	17.6%

10 LARGEST ASSETS

London EC1 - The Smithson, 6 Briset Street, Farringdon	4.8%
London SE7 - Brocklebank Retail Park, Greenwich	4.4%
Barnet - Sainsbury's, East Barnet Road	3.5%
Brighton - Jurys Inn Hotel, Stroudley Road	3.3%
Gateshead - Metro Park West	3.1%
London WC2 - 90 Chancery Lane, Midtown	2.6%
Cambridge - Travelodge, Newmarket Road	2.3%
London E1 - 122 Back Church Lane, Whitechapel	1.9%
London EC2 - Rivington House, Shoreditch	1.6%
Twickenham, Apex Retail Park	1.5%
Total	29.0%

Source: Savills Investment Management June 2019

ASSET MANAGEMENT

We are delighted to report that the **Smithson** is now 100% let after we completed a new lease to Airsorted Limited on the basis of a new 5 year term on the ground and basement floors at a rent of £653,000 pa (£57.00 per sq ft overall). The total income for the building is now just over £3 million per annum, compared to the passing rent of £1.64 million per annum prior to the refurbishment, an increase of 83%.

In addition we have also completed a number of lease renewals including signing a new 10.5 year reversionary lease with Kuehne &

Nagel at their distribution centre in **Avonmouth, Bristol**. The rent has increased from £480,000 pa to £515,000 pa (an increase of 7.3%).

We also continue to see strong occupational demand within our retail warehouse portfolio following the lettings in **Redditch** last quarter - we have extended the lease to Pets at Home in **Basildon** by a further 5 years and have constructed a brand new "pod" for Greggs in the car park at Pentrebach Retail Park in **Merthyr Tydfil**. We only have two empty units in the entire retail warehouse portfolio, one of which is under offer, illustrating the defensive nature of our assets in this sector.

Smithson, Farringdon, EC1



Bristol



Risk Warning

This document is a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. Savills Investment Management (UK) Limited have not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read both the Fund Factsheet document and the Scheme Particulars. We strongly recommend you seek independent professional advice prior to investing. Investors should consider the following risk factors identified as specific to the Fund before investing: Counterparty/Tenant/Credit Risk (financial institution/tenants may not pay), Market Risk (investment value affected by market conditions), Operational Risk (general operational risks), Expiry/Maturity Profile (timing of maturity of tenancies), Liquidity Risk (investment in non-readily realisable assets), Interest Rate risk (changes to interest rate affecting income), Concentration Risk (need for diversification and suitability of investment), Business Risk (possibility of lower than anticipated profits). Please see the Fund Scheme Particulars for further details.

Disclosures

Investment in the Fund is only available to charities within the meaning of section 96 or 100 of the Charities Act 2011. Past performance is not an indicator of future performance. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Properties within the Fund are valued by an external property valuer; any such valuations are a matter of opinion rather than fact. The performance of the Fund may be adversely affected by a downturn in the property market which could impact on the value of the Fund. Any forward-looking statements are based upon our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated. The Fund is approved by the Charity Commission as a Common Investment Fund under section 24 of the Charities Act 1993 (as amended or replaced from time to time) and is an Unregulated Collective Investment Scheme and an Alternative Investment Fund. Investments and deposits in the Fund and the Fund itself are not covered by the Financial Services Compensation Scheme (FSCS). However, the Manager may pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund. Savills Investment Management (UK) Limited (registered in England No. 03680998 at 33 Margaret Street, London W1G 0JD) is authorised and regulated by the Financial Conduct Authority and is the manager of the The Charities Property Fund (Registered Charity No. 1080290).