

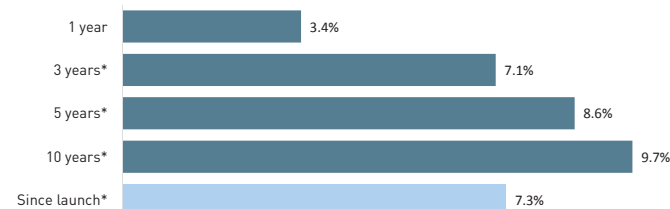
FUND OBJECTIVES

The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (AREF/MSCI September 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 SEPTEMBER 2019

- Fund size £1.305 billion
- No debt
- Well diversified and balanced portfolio
- 126 properties and 257 tenants
- Negligible exposure to the high street and no shopping centres
- 65% of the portfolio located in London and the South of England
- High yielding (4.8% gross and 4.2% net of costs)
- Low vacancy rate (5.0% versus MSCI at 10.3%)
- Strong covenants (85.6% rated low or negligible risk, compared to MSCI at 78.2%)
- Long average unexpired lease term of 11.0 years to expiry (9.2 years to break). MSCI: 8.2 years to expiry (7.1 years to break)
- 38.9% of income benefits from fixed or index linked rental increases

FUND PERFORMANCE



*annualised

Source: Savills Investment Management, MSCI (September 2019)

Basis: NAV-to-NAV with gross income reinvested

The Charities Property Fund launched in 2000. Total return is net of fees and expenses. Past performance is not an indicator of future performance.

The Fund total return for Q3 2019 was 0.5% compared to the index of 0.4%. Over the last 12 months the Fund produced 3.4%, 1.2% above the AREF/MSCI All Balanced Funds Property Index which returned 2.2%.

Over the last five years the Fund has returned 8.6% per annum, compared to the Index of 7.5% per annum. Over 10 years the Fund returned 9.7% per annum, compared to the Index at 8.5% per annum (source: MSCI).

PURCHASES

The Fund acquired Cooper's Studios, an office building in **Newcastle** at a purchase price of £4.7 million which reflects a yield to the Fund of 6.5%. The building comprises an architecturally significant former carriage repository and continues our strategy of investing in enduring heritage buildings favoured by occupiers, with proven alternative uses. The property is let to Ryder Architecture Limited until 2033. Ryder Architecture is the largest regional architectural practice in the UK and have been in occupation of the property since 2009. The rent reflects £18.72 per sq ft which we believe is low for a major regional city. It is located 200 metres from Newcastle railway station.

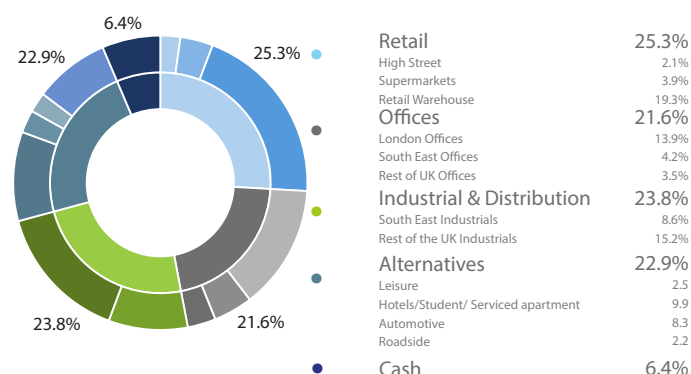


ASSET MANAGEMENT

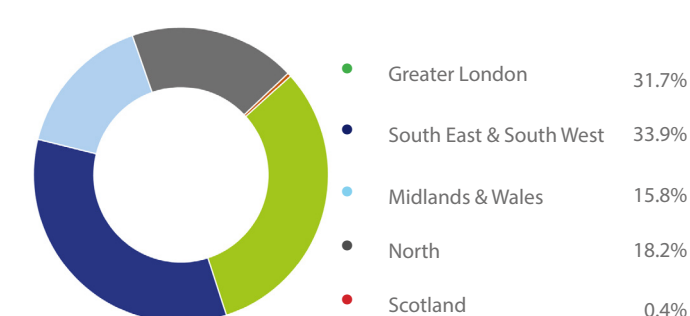
We have re-let the unit previously occupied by Maplin in **Bath** to Creams Café on a new 10 year lease at a rent of £67,500 per annum. There will be a rent review linked to CPI at year 5 (capped and collared at 1-3% per annum) if the break option at year 5 is not actioned. Both of the Maplin units owned by the Fund have now been relet at rents over 6% higher on average than was previously being paid, once again demonstrating the quality and resilience of the Fund's retail estate. At **Tewkesbury** (industrial) we have completed a new 10 year revisionary lease with a break at year 5 to Idemia UK Ltd, extending the term to 2030. The rent of £270,000 per annum reflects £6.37 per sq ft. This tenant has been in occupation since the Fund acquired the asset in 2001.



CPF PORTFOLIO SEPTEMBER 2019



GEOGRAPHICAL WEIGHTINGS



Source: Savills Investment Management, September 2019

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FUND INFORMATION - (AS AT 30 SEPTEMBER 2019)

Launch date	September 2000
Fund Size	1.305 billion
No. of investors	1,945
Historic distribution yield	4.2%*
Prospective distribution yield	4.2%**
Fund costs (TER)	0.57% per annum
Unit price	NAV - 128.58 pence
	Bid - 126.83 pence
	Offer - 130.77 pence
Bid spread	1.45%
Offer spread	1.55%
SEDOL	0208075
Next distribution date	15 November
Last distribution rate	1.33p per unit

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

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

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%
Sytner Properties Limited (surety: Sytner Group Limited)	3.7%
Tesco Stores Limited	3.6%
Travelodge Hotels Limited	3.4%
Sainsbury's Supermarkets Ltd (surety: Sainsbury's plc)	3.0%
Total (across 12 locations)	17.4%

10 LARGEST ASSETS

London EC1 - The Smithson, 6 Briset Street, Farringdon	5.3%
London SE7 - Brocklebank Retail Park, Greenwich	4.4%
Barnet - Sainsbury's, East Barnet Road	3.6%
Brighton - Jurys Inn Hotel, Stroudley Road	3.4%
Gateshead - Metro Park West	3.1%
London WC2 - 90 Chancery Lane, Midtown	2.7%
Cambridge - Travelodge, Newmarket Road	2.4%
London E1 - 122 Back Church Lane, Whitechapel	1.9%
London EC2 - Rivington House, Shoreditch	1.6%
Twickenham - Apex Retail Park	1.5%
Total	29.9%

Source: Savills Investment Management September 2019

SALES

The Fund has sold a retail warehouse on the **Old Kent Road, SE15**, for a price in excess of £10 million, reflecting a net initial yield of less than 2.5%. The site extends to 0.7 acres which translates to a capital value per acre of £14m. We think this is a great result and demonstrates the premium prices achievable for sites with alternative use, regardless of their existing retail use. The property is let to B&M Bargains on a lease expiring in October 2025 and was valued at £6.55 million at the March 2019 valuation. The price achieved reflected a 60% increase. The asset was acquired for £2.3 million in 2001, delivered almost unbroken income

during the long hold period and produced an IRR of 15.45% per annum over the 18 years. 40% of our remaining retail warehouse and supermarket weighting is located in Greater London for precisely this reason. The team has worked very hard to achieve this result making representations to the local planning authority to re-zone the site for residential use and petitioning for increased massing on the site over a period of years. We rebuffed multiple off market approaches during this period and when satisfied we had maximised the potential, we took the decision to selectively market the asset and captured this significant premium.



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).