

FUND OBJECTIVES

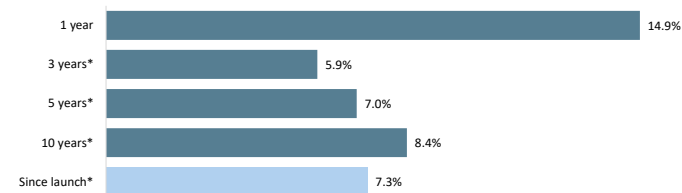
The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (AREF/MSCI December 2021). It is a Common Investment Fund regulated by the Charity Commission and helps c.1,700 charities to invest in commercial real estate in an ethical, responsible and tax-efficient way. 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 over the long term.

KEY POINTS - 31 DECEMBER 2021

- Fund size £1.277 billion
- No debt
- Well diversified and balanced portfolio
- 117 properties and 257 tenants
- Negligible exposure to the high street and no shopping centres
- Portfolio heavily weighted to London and the South of England
- High yielding (4.6% gross and 4.0% net of costs)
- Low vacancy rate (5.1% versus MSCI at 10.1%)
- Strong covenants (78% rated low or negligible risk)
- Long average unexpired lease term of 12 years to expiry (9.7 years to break)
- 39% of income benefits from fixed or index linked rental increases

The Fund total return for Q4 2021 was 6.2% compared to the Index of 7.5%. Over the last 12 months the Fund produced 14.9%, against the AREF/MSCI All Balanced Property Fund Index which returned 19.1%.

FUND PERFORMANCE



*annualised

Source: Savills Investment Management, MSCI (December 2021)

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

Over the last five years the Fund has returned 7.0% per annum, in line with the index of 7.0% per annum. Over 10 years the Fund returned 8.4% per annum, ahead of the index at 7.6% per annum (source: MSCI).

PURCHASES

The Fund made two acquisitions during the quarter, investing £47 million. One was an Alternative asset in Battersea, south west London and the other an urban logistics multi-let estate in Bristol. Battersea comprised a 121 bedroom hotel, located close to the River Thames and 10 minutes from Clapham Junction station. The asset is let on a lease with almost 28 years unexpired and benefits from uncapped index linked rent reviews increased in line with the Retail Price Index. The price of £36.5 million reflected a yield to the fund of 4.5%. It also provides us with a significant redevelopment opportunity in the future. The building is only 3-5 storeys tall and it is likely a building of up to 19 storeys could be accommodated here.

The second purchase in Bristol, is situated very close to one of the funds existing holdings in Brislington on the Bath Road. It comprises an eight unit trade counter industrial estate extending to 62,000 sq ft and is let to occupiers such as Screwfix, Tastetech, Cubico Bathrooms and Mon Motors Group. The asset occupies an excellent location in a densely populated urban area, very close to the City Centre.

The rents are low at £6.95 per sq ft and the estimated rental value of £9.50 per sq ft has already been proven on the estate. The property was acquired for a price of £10.5 million reflecting a yield of 4.1%, rising to 5.5% at review.

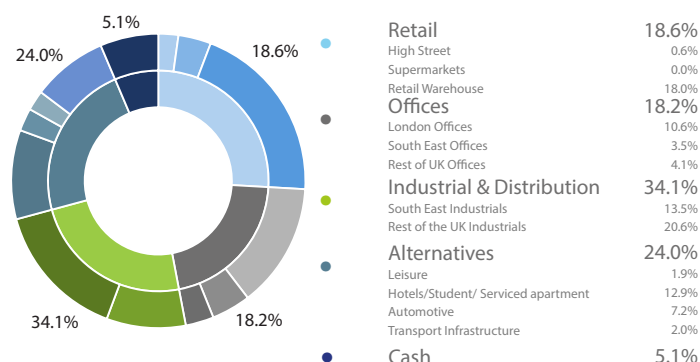
London, SW11



Bristol

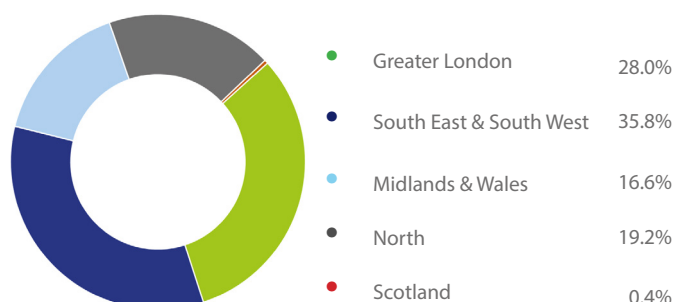


CPF PORTFOLIO DECEMBER 2021



Source: Savills Investment Management, December 2021

GEOGRAPHICAL WEIGHTINGS



Source: Savills Investment Management, December 2021

FUND INFORMATION - (AS AT 31 DECEMBER 2021)

Launch date	September 2000
Fund Size	£1.277 billion
No. of investors	1,700
Historic distribution yield	3.9%*
Prospective distribution yield	4.3%**
Fund costs (TER)	0.62% per annum
Unit price	NAV - 136.94 pence
	Bid - 135.07pence
	Offer - 139.27 pence
Bid spread	1.45%
Offer spread	1.55%
SEDOL	0208075
Next distribution date	15 February 2022
Last distribution rate	1.27 pence per unit
Next dealing date	31 March 2022#

* 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

Travelodge Hotels Limited	6.5%
Sytner Properties Limited (surety: Sytner Group Limited)	4.5%
Macmillan Publishers International Limited	4.0%
Tesco Stores Limited	3.8%
Jurys Hotel Management (UK) Limited (surety: Vesway Designated Active Co.)	3.0%
Total (across 11 locations)	21.8%

10 LARGEST ASSETS

London EC1 - The Smithson, 6 Briset Street, Farringdon	5.7%
London SE7 - Brocklebank Retail Park, Greenwich	3.9%
Gateshead - Metro Park West	3.4%
Brighton - Jurys Inn Hotel, Stroudley Road	3.3%
London SW11 - Travelodge, Battersea	2.5%
Cambridge - Travelodge, Newmarket Road	1.9%
Bury St Edmunds - SP147, Suffolk Park	1.9%
London E1 - 122 Back Church Lane, Whitechapel	1.8%
Epsom - Epsom Trade Park	1.6%
Tamworth - Emporor Point, Centurion Park	1.8%
Total	29.0%

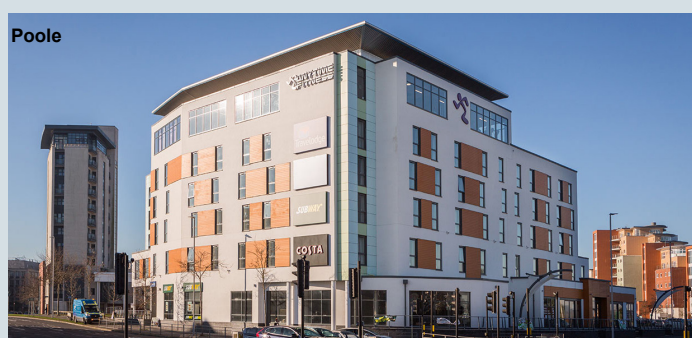
Source: Savills Investment Management December 2021

SALES & ASSET MANAGEMENT

We completed one sale during the quarter which comprised two shop units in Chapel Market, Islington, N1. This asset has performed very well for the fund. It was originally acquired as part of an in-specie transfer from a charity investor in December 2009 and was transferred into the fund for a price of £2.65 million. During the twelve years of ownership we have managed to retain the original tenants, Superdrug and JD Sports and have negotiated new leases twice on each unit during the period. The leases were both short, with approximately 2.5 years remaining on each. After a full marketing campaign we accepted the highest bid of £3.765 million, reflecting a yield to the fund of 4.75% and a premium of 19.5% to the latest independent valuation of £3.15 million.



One recurring theme of the last quarter was the rental increases being delivered through our leases benefiting from indexation. 39.3% of our leases benefit from either RPI or CPI indexation and whilst some are capped, some are not. With RPI running at 7.5% and CPI at 5.4%, this is starting to feed through into some significant increases. Over the last 12 months we booked index linked uplifts at 12 locations including Chigwell, Harrogate, Manchester, Oxford, Poole and Thames Ditton delivering over £450,000 per annum in additional income. This is likely to be a continuing feature during 2022 and we are well positioned to capitalise on this.



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).