

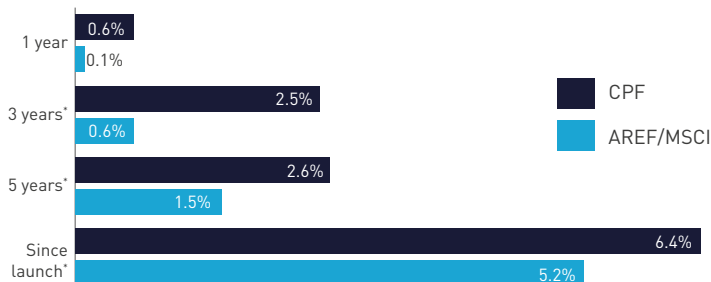
## Fund Objectives

The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (AREF/MSCI June 2024). It is a Common Investment Fund regulated by the Charity Commission and helps c.1,500 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 - 30 June 2024

- Fund size £1.03 billion
- No debt
- Well diversified and balanced portfolio
- 104 properties and 230 tenants
- No high street retail and no shopping centres
- Portfolio weighted to London and the South of England
- High yielding (5.6% gross and 4.9% net of costs)
- Low vacancy rate (2.8% versus MSCI at 11.1%)
- Strong covenants (73.2% rated low or negligible risk)
- Long average unexpired lease term of 10.2 years to expiry (8.7 years to break)
- 48% of income benefits from fixed or index linked rental increases, two thirds of which are linked to RPI

## Fund Performance Annualised



Source: Savills Investment Management, MSCI/AREF Quarterly Property Funds Index, 30 June 2024

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.

## Annual Performance to 30 June

	Year ended Jun 2024	Year ended Jun 2023	Year ended Jun 2022	Year ended Jun 2021	Year ended Jun 2020
Charities Property Fund	0.6%	-13.3%	23.5%	7.1%	-1.7%
AREF/MSCI All Balanced Funds Index	0.1%	-17.4%	23.3%	8.5%	-3.3%

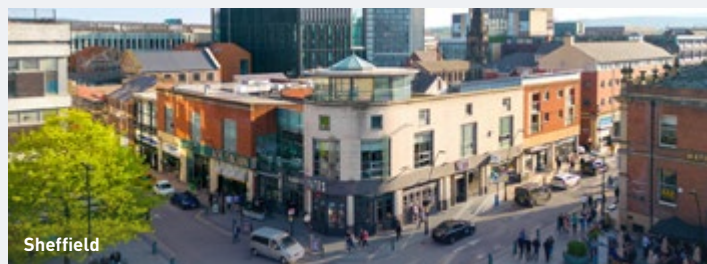
## Sales

We have completed three sales during the quarter and these included a leisure unit and two industrial units. Collectively they achieved £18.90 million and this reflected an +11.1% premium to their independent valuations. The leisure unit comprised a JD Wetherspoon in Sheffield, and formed part of a wider block that the Fund has owned since 2002. Selling to occupiers has been a rich vein for the Fund over the last two years and we believe reflects the quality of the assets held within the portfolio – 25% of our sales over the last two years have been to occupiers. The asset was sold for £2.5 million reflecting a net initial yield of 5.5% and reflected a 28% premium to the latest valuation of £1.95 million.

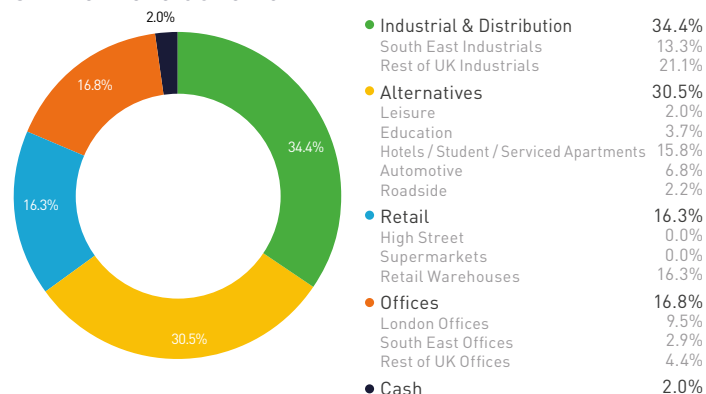
The two industrial units were sold as a pair to Mileway, the pan European last mile logistics arm of Blackstone and comprised units

in Milton Keynes and Normanton. The price agreed reflected £16.4 million (£11.3 million and £5.1 million respectively) and reflected a net initial yield of 6.0%. Milton Keynes was let to F&F Stores for a further 3 years and Normanton had 7 years remaining.

These two assets were originally acquired for £6.0 million and £3.79 million and had also delivered £10.2 million in income to the Fund during the period of ownership. They both enjoyed significant asset management over the hold period with Milton Keynes undergoing a number of lease renewals and rent reviews before benefiting from a net zero carbon enabled refurbishment resulting in a new letting where the passing rent increased by 60%. Normanton was acquired in 2015 and in 2022 we extended the lease for a further 5 years and increased the rent at review by 30%.

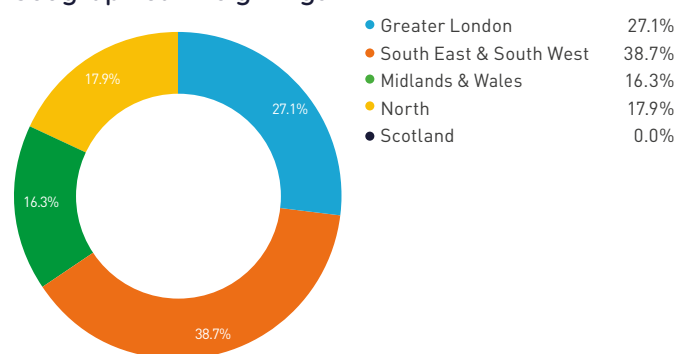


## CPF Portfolio June 2024



Source: Savills Investment Management, June 2024

## Geographical Weightings



Source: Savills Investment Management, June 2024

## Fund Information - (As At 30 June 2024)

Launch date	September 2000
Fund size	£1.03 billion
No of investors	c.1,500
Historic distribution yield	6.1%*
Prospective distribution yield	5.00%**
Fund costs (TER)	0.56% per annum
Unit price	NAV - 117.87 pence
	Bid - 116.20 pence
	Offer - 119.96 pence
Bid spread	1.45%
Offer spread	1.55%
SEDOL	0208075
Next distribution date	15 August 2024
Last distribution payment	1.44p per unit
Next dealing date	30 September 2024 <sup>#</sup>

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

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

<sup>#</sup> 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.

## Asset Management

We are pleased to report that we have successfully completed the letting of our office building in Maidenhead in its entirety, which represented the largest void in the portfolio. The building was extensively refurbished to create a Net Zero Carbon enabled Grade A office which completed in 2023 and included extensive works to the M&E, a reconfigured reception, air source heat pumps, photovoltaic panels, eight electric vehicle charging points and a green roof.

The new tenant is Glencore Industrial Assets with a guarantee from Glencore plc and it will be occupied by the copper division. The base rent achieved of £733,000 pa reflects £37.00 per sq ft and is a 25% premium to the previous rent passing. The have signed a new ten year lease with annual breaks from the end of the fourth year and received eight months' rent free. We think this is a good result – we have attracted a



## Five Largest Tenants

Travelodge Hotels Limited [4]	7.1%
Macmillan Publishers International Limited [1]	3.9%
D'Overbroeck's Limited (surety: Nord Anglia Education Limited) [2]	3.7%
Leonardo Hotel Management (UK) Limited [1]	3.7%
Sytner Properties Limited (surety: Sytner Group Limited) [3]	3.0%
<b>Total (across 11 locations)</b>	<b>21.4%</b>

## 10 Largest Assets

London EC1 - The Smithson, Farringdon (Office)	5.1%
London SE7 - Greenwich (Retail Warehouse)	4.3%
Oxford - 333 Banbury Road (Alternative)	3.7%
Brighton - Leonardo Hotel (Alternative)	3.4%
London SW11 - Battersea (Alternative)	3.2%
Cambridge - Travelodge (Alternative)	2.6%
Bury St Edmunds - Suffolk Park (Industrial)	2.2%
Epsom - Epsom Trade Park (Industrial)	2.0%
Tamworth - Emperor Point (Industrial)	2.0%
Hayes - Caxton Point (Industrial)	1.8%
<b>Total</b>	<b>30.3%</b>

FTSE 100 company through our sympathetic refurbishment, the rental level is strong and it reduces the void rate by over 1% and removes the irrecoverable costs of owning an empty building – namely insurance, service charge and empty business rates.

We also completed two notable rent reviews over the quarter at a logistics asset in Tamworth and a self storage unit in Epsom. We are continuing to see strong rental growth in certain sectors and the 5 year rent review pattern means this should continue for some time. Tamworth is one of our largest industrial assets and we are delighted to have settled the review at a rent of £1.3 million per annum, which is a 34% increase over the previous passing rent of £969,000 pa. The new rent reflects £7.30 per sq ft. At Epsom we settled a rent review on a 16,387 sq ft unit, let to a self storage operator. The rent increased from £208,000 pa to £300,000 pa, reflecting a rent of £18.30 per sq ft and an increase of 44%.



## 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).