

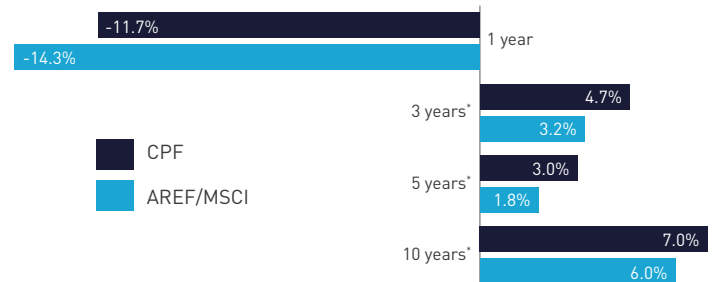
Fund Objectives

The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (AREF/MSCI September 2023). 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 has a strong focus on ESG and looks to improve the environmental credentials of the assets it holds and favours socially beneficial occupiers. 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 September 2023

- Fund size £1.12 billion
- No debt
- Well diversified and balanced portfolio
- 112 properties and 233 tenants
- No high street retail and no shopping centres
- Portfolio weighted to London and the South of England
- High yielding (5.3% gross and 4.7% net of costs)
- Low vacancy rate (1.8% versus MSCI at 10.8%)
- Strong covenants (72% rated low or negligible risk)
- Long average unexpired lease term of 11.0 years to expiry (8.7 years to break)
- 49% 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 September 2023)

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 September

	Year ended Sep 23	Year ended Sep 22	Year ended Sep 21	Year ended Sep 20	Year ended Sep 19
Charities Property Fund	-11.7%	16.1%	11.5%	1.8%	3.4%
AREF/MSCI All Balanced Funds Index	-14.3%	13.3%	13.1%	-2.8%	2.2%

Asset Management – Lettings

The Fund completed five leases over the quarter, increasing, extending and protecting income. At Wilverley Industrial Estate in Bristol we signed a new lease with Tastetech who were paying a rent of £175,000 per annum on a lease expiring in March 2024. The new lease is for a term of 15 years, at a rent of £335,580 pa – an increase of 92%. No rent free was granted to the tenant and future reviews have been linked to the higher of open market or CPI. This particular transaction illustrates the continued strength of the industrial market.

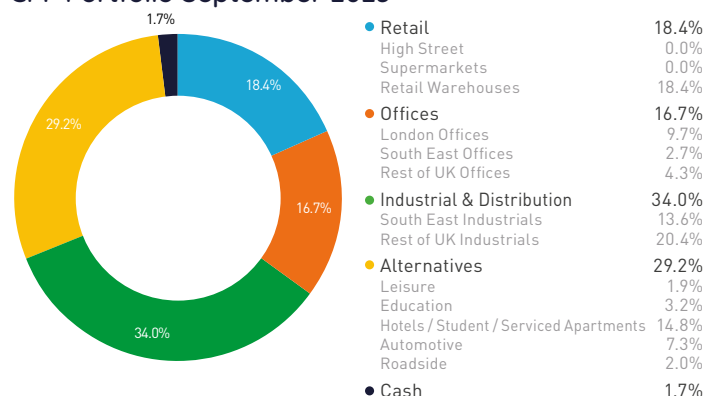
We also completed four new leases within the retail warehouse sector. The first was in West Malling in Kent, where we agreed a new 15 year lease with Waitrose at £180,000 per annum. Their existing lease was

due to expire in December 2026. The rent agreed represented a 14% reduction on the rent previously passing, but the new lease opened up the ability for us to sell at a premium price due to the increased term. We are currently in the process of marketing the property and have enjoyed competitive bidding, receiving six bids.

We also agreed three new leases with Iceland/Food Warehouse at retail parks in Redditch, Wolverhampton and Merthyr Tydfil. At Redditch and Merthyr Tydfil we extended the leases which both expire next year, until 2034, providing 11 years term certain and maintaining the rents of £16.50 per sq ft and £13.00 per sq ft respectively. At Wolverhampton we had 4 years remaining and this has also been extended to 2034, again maintaining the rent at £13.00 per sq ft.

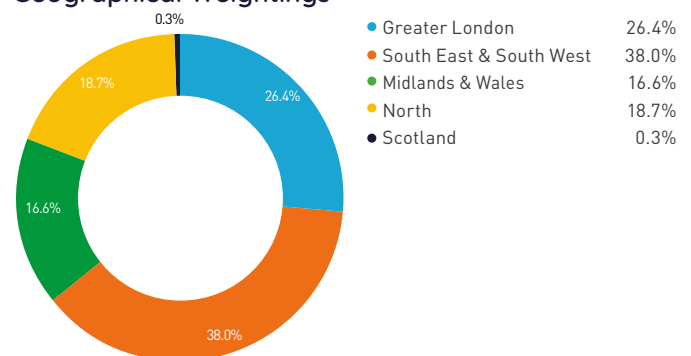


CPF Portfolio September 2023



Source: Savills Investment Management, September 2023

Geographical Weightings



Source: Savills Investment Management, September 2023

Fund Information - (As At 30 September 2023)

Launch date	September 2000
Fund size	£1.12 billion
No of investors	c.1,500
Historic distribution yield	4.66%*
Prospective distribution yield	4.70%**
Fund costs (TER)	0.56% per annum
Unit price	NAV - 122.86 pence
	Bid - 121.12 pence
	Offer - 125.03 pence
Bid spread	1.45%
Offer spread	1.55%
SEDOL	0208075
Next distribution date	15 November 2023
Last distribution payment	1.52p per unit
Next dealing date	31 December 2023 [#]

* 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.

Asset Management – Rent Reviews

We have successfully completed a number of both index-linked and open market rent reviews this quarter. Four of the reviews were linked to increases in the retail price index (RPI). In Cambridge we have settled the rent review with Travelodge and agreed to increase the rent from £1.225 million pa to £1.632 million pa, reflecting growth of 33% over the last five years. This review is linked to RPI and helpfully there is no cap on the annual increase.

At Banbury Road in Oxford, also in the alternatives sector and also linked to RPI, the rent increased 11.4% from £1.581 million per annum to £1.761 million per annum in just 12 months, again showing the benefit of the rent review mechanism, this time collected annually.



Five Largest Tenants

Travelodge Hotels Limited	6.7%
Macmillan Publishers International Limited	3.6%
Leonardo Hotel Management (UK) Limited	3.5%
Tesco Stores Limited	3.5%
Sytner Properties Limited (surety: Sytner Group Limited)	2.8%
Total (across 12 locations)	20.1%

10 Largest Assets

London EC1 - The Smithson, Farringdon (Office)	5.1%
London SE7 - Greenwich (Retail Warehouse)	4.1%
Brighton - Leonardo Hotel (Alternative)	3.3%
Oxford - 333 Banbury Road (Alternative)	3.3%
London SW11 - Battersea (Alternative)	3.1%
Gateshead - Metro Park West (Retail Warehouse)	2.6%
Cambridge - Travelodge (Alternative)	2.4%
Bury St Edmunds - Suffolk Park (Industrial)	2.1%
Tamworth - Emperor Point (Industrial)	1.9%
Epsom - Epsom Trade Park (Industrial)	1.9%
Total	29.8%

Two further index-linked rent reviews were documented, the first at the student accommodation also on Banbury Road in Oxford, increasing the rent from £466,814 pa to £514,662 pa - an increase of 10.25% over three years (the increase here was capped at 5% per annum) and secondly at Gateshead where Tesco's rent increased from £2,262,843 pa to £2,638,689 pa, an increase of 16.6%. The increase here was capped at 4% pa.

Finally, we completed an open market rent review on an industrial unit in South Normanton, increasing the rent from £310,000 pa to £446,500 pa, an increase of 44% over 5 years. These 5 reviews have added £1.165 million pa in income alone and show an average 20% increase over the previous passing rents.



Risk Warning

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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).