

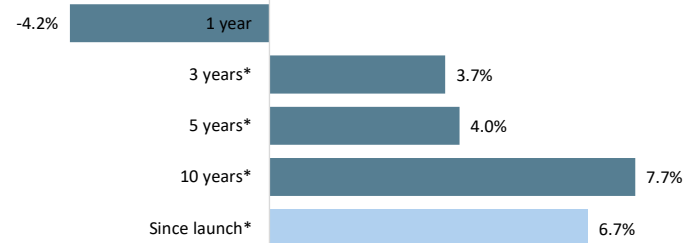
FUND OBJECTIVES

The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (AREF/MSCI December 2022). 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 - 31 DECEMBER 2022

- Fund size £1.2 billion
- No debt
- Well diversified and balanced portfolio
- 120 properties and 250 tenants
- Negligible exposure to the high street and no shopping centres
- Portfolio weighted to London and the South of England
- High yielding (4.9% gross and 4.3% net of costs)
- Low vacancy rate (2.0% versus MSCI at 9.8%)
- Strong covenants (71% rated low or negligible risk)
- Long average unexpired lease term of 11.4 years to expiry (8.9 years to break)
- 45% of income benefits from fixed or index linked rental increases, two thirds are linked to RPI

FUND PERFORMANCE



*annualised

Source: Savills Investment Management, MSCI/AREF Quarterly Property Funds Index, December 2022

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 Q4 2022 was -12.46% compared to the AREF/ MSCI UK All Balanced Property Fund Index of -14.1%. Over the last 12 months the Fund produced -4.2% against the Index which returned -9.5%.

Over the last five years the Fund has returned 4.0% per annum, against the Index of 2.9% per annum. Over 10 years the Fund returned 7.7% per annum, ahead of the Index at 6.5% per annum.

ASSET MANAGEMENT

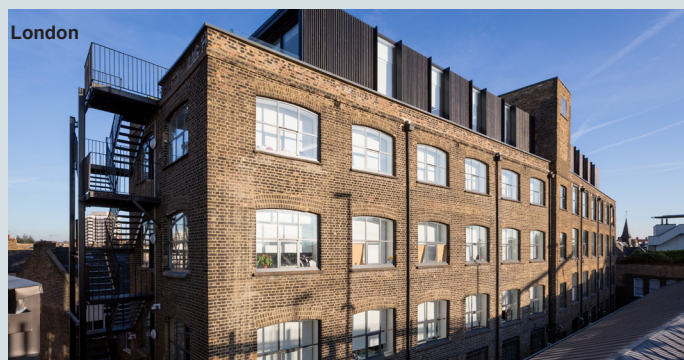
Last quarter we reported on two significant logistics lettings within the portfolio, this quarter we are pleased to report that we completed four central London office lettings adding over £1 million per annum in income. This is particularly gratifying considering the headwinds and uncertainty experienced in office markets since Covid.

We signed a new ten year lease to Projection Artworks at The Smithson in Farringdon at a rent of £455,000 per annum. This building is now fully occupied with Macmillan Publishers occupying seven floors in the same building.

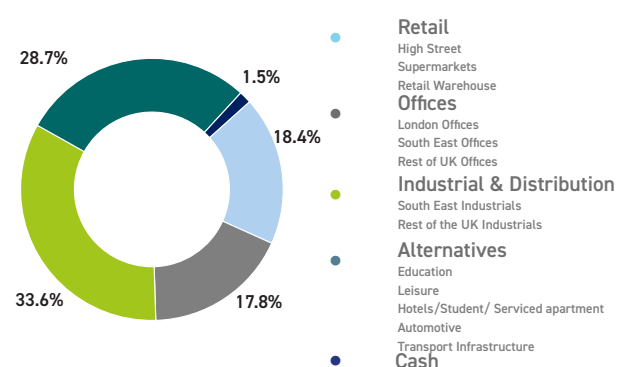
The other London lettings were all at The Piano Factory in Camden. We undertook a comprehensive refurbishment of

this building after the previous tenant vacated and have just completed our first lettings at rents of £45-47 per sq ft. All were in line with the Independent Valuers estimate of rental value.

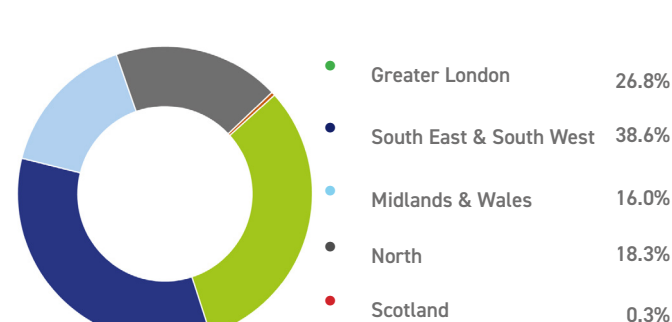
Outside of the office sector we are also pleased to report that we signed another two new leases in the industrial sector in Tonbridge and Peterborough. At Tonbridge we signed a new ten year lease with the Tyre Store at £10.50 per sq ft, reflecting a 44% increase over the previous passing rent of £7.30 per sq ft. At Peterborough we signed a 3 year extension with SAGE Publications at a rent of £256,000 per annum, reflecting £7 per sq ft, a 17% increase.



CPF PORTFOLIO DECEMBER 2022



GEOGRAPHICAL WEIGHTINGS



Source: Savills Investment Management, December 2022

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FUND INFORMATION - (AS AT 31 DECEMBER 2022)

Launch date	September 2000
Fund Size	£1.2 billion
No. of investors	c.1,500
Historic distribution yield	3.9%*
Prospective distribution yield	4.3%**
Fund costs (TER)	0.56% per annum
Unit price	NAV - 126.16 pence
	Bid - 124.38 pence
	Offer - 128.38 pence
Bid spread	1.45%
Offer spread	1.55%
SEDOL	0208075
Next distribution date	15 February 2023
Last distribution rate	1.24 pence per unit
Next dealing date	31 March 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.

FIVE LARGEST TENANTS

Travelodge Hotels Limited	5.9%
Macmillan Publishers International Limited	3.6%
Sytner Properties Limited (surety: Sytner Group Limited)	3.5%
Tesco Stores Limited	3.5%
D'Overbroeck's Limited	3.1%
Total (across 12 locations)	19.6%

10 LARGEST ASSETS

London EC1 - The Smithson, 6 Briset Street, Farringdon	5.7%
London SE7 - Brocklebank Retail Park, Greenwich	4.0%
Brighton - Jurys Inn Hotel, Stroudley Road	3.3%
London SW11 - Travelodge, Battersea	3.0%
Gateshead - Metro Park West	2.8%
Oxford - 333 Banbury Road	2.7%
Cambridge - Travelodge, Newmarket Road	2.3%
Bury St Edmunds - SP147, Suffolk Park	2.0%
Epsom - Epsom Trade Park	1.8%
Tamworth - Emperor Point	1.7%
Total	29.3%

SALES

We completed three sales in the final quarter, the largest being a Mercedes car dealership in Poole. This asset was sold to the tenant for £7.1 million, reflecting a net initial yield of 5.2%. We believe this was a strong price for an asset with 8 years remaining on the lease and formed part of an interesting trend of last year, with 70% of our sales acquired by occupiers.

The sale was in excess of both our most recent valuation of £6.75m and the purchase price of £6.5m and the asset delivered over £2.75 million in income over the 7 year hold period.

The smallest sale we completed during the quarter was an industrial estate in Taunton. This property was acquired for £1.5 million in

March 2018 as part of a portfolio and was let to two tenants on three different leases. We relet one unit to Marshalsea Engineering after the previous tenant went into liquidation; we regeared another lease with Rotec Hydraulics and executed two rent- reviews. This helped to drive the income up by over 20% during the relatively short hold period.

Having completed all the asset management we chose to exit and secured a price of £2.156 million, a 38% premium to the 2018 purchase price. The asset also delivered over £650,000 in income during the hold period. Whilst a small asset, it made an important contribution and demonstrates the level of detail and strong asset management focus employed by the team.



Poole



Taunton

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).