



Interim Report & Accounts

as at 24 December

2013

The Charities Property Fund



Investment Objectives

The aim of The Charities Property Fund (the "Fund") is to provide a high and secure level of income with the prospect of growth in income and to maintain the capital value of the assets held in the Fund, through investing in a diversified UK commercial property portfolio. The Fund invests in the principal commercial property sectors: office, retail, industrial and other (alternative uses such as leisure, car showrooms, hotels, motorway service areas). It does not undertake speculative developments.

The Fund is a charity (number 1080290) and is therefore not subject to withholding tax, capital gains tax, and most importantly, stamp duty land tax (currently charged at 4% on the majority of commercial property transactions).

Cordea Savills Investment Management Limited (the "Manager") does not intend to hold more than 10% by value of the Fund in cash or Near Cash (as defined in FCA Handbook of Rules and Guidance).

Strategy

The Fund's strategy is to acquire a diversified portfolio of institutional quality investments. Traditionally the Fund has focused on the retail warehouse, supermarket, office and industrial markets. The Fund has largely avoided high street retail due to the low yield available and poor outlook for the sector. The Fund aims to achieve a return of 8% per annum delivered through 6% per annum in income and 2% per annum in capital growth.

The Fund does not use strategic gearing (i.e. it does not enter into long term borrowing) although it does have the use of a short term bridging facility to enable it to manage the investment of cashflows associated with the application process.

This Report is issued by Cordea Savills Investment Management Limited (CSIM), registered in England number 03680998, which is authorised and regulated by the Financial Conduct Authority and is a subsidiary of Cordea Savills LLP, a limited liability partnership registered in England. The registered office of both entities is at 33 Margaret Street, London W1G 0JD. A list of members of Cordea Savills LLP is available from the registered office. The Charities Property Fund is a registered charity, number 1080290.

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The value of property is generally a matter of a valuer's opinion rather than fact. Please remember that past performance is not necessarily a guide to future performance. The value of an investment and the income from it can fall as well as rise and investors may not get back the amount originally invested. Taxation levels, bases and (if relevant) reliefs can change. Changes in the rates of exchange between currencies may also cause the value of your investment, or the income from it, to fluctuate. Property can be difficult to sell and it may be difficult to realise your investment when you want to.



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Fund Summary

Since June 2013, the commercial property investment market has strengthened considerably. This has been driven by a resurgence in the economic climate, which has led to a significant improvement in occupational markets as returning confidence encouraged tenants to commit to space. This, twinned with increased demand for inflation protection and a less risk averse approach by investors has signalled a recovery in investment demand and a return to capital growth. (According to IPD, capital values increased 4.3% in the second half (H2) of the year after registering a slight fall of -0.4% in the first six months (H1). This compares to -2.2% in the second half of 2012).

The Charities Property Fund has benefitted from these trends, reducing our void rate from 3.9% to 2.0% over the last 6 months and showing an increase in Net Asset Value of 4.1%. This is on top of the 1.0% increase in NAV seen in H1. On 30 June 2013 and 30 September 2013 circa £15.8 million and £47.6 million, respectively, of net new applications were accepted. By the end of December 2013 the Fund's NAV was £627.05 million (£492.1 million – December 2012), an increase of 27%.

The number of unit holders has risen to 1,437, including 239 charities who have added to their holdings and 156 charities who have invested in the Fund for the first time in this 6 month period. Between June and December 2013, the unit offer price rose from 97.10 pence to 101.12 pence, an increase of 4.1%. The distribution for the second half of the year totalled 2.67 pence per unit, an increase of 11.7% on the same period last year (2.39 pence per unit – H2 2012). **This gave a total return of 6.8% for the second half of 2013 and 11.2% for the year (All Balanced Fund Index 9.1%).**

Portfolio Report

The Fund acquired seven assets over the last six months, investing a total of £80.0 million. The acquisitions had an average yield to the Fund of 6.0%, compared to the Investment Property Databank (IPD) December Monthly Index of 6.2% and consisted of one London office building, one supermarket, three industrial units, one motorway service area (MSA) and one health & fitness unit. The combined vacancy rate on these assets was 0% (compared to the IPD December Monthly Index of 10.5%) and all of the income was secured on low or negligible risk covenants (as measured by Dun & Bradstreet) or benefitted from rent deposits (compared to the IPD Rental Information Service (IRIS) at 70.8%). The average lease length was 15.5 years to the earliest break, compared to the IPD Index at 10.2 years (source: IRIS). In addition 70% of the income benefitted from fixed rental increases.

There were three disposals over the last six months all of which were industrial units. These included Unit 1 in Midsomer Norton, Ridgewood Industrial Park in Uckfield and the Magnet unit in Norwich. The three sales totalled £7.730 million against a June valuation of £7.425 million, an increase of 4.1%. These assets were sold after completing asset management initiatives and due to limited future potential.

Within the portfolio, the Fund completed 21 new lettings adding almost £1.2 million per annum in income (£1,178,025 pa) over the last six months and undertook 3 lease renewals safeguarding a further £250,000 per annum. These lettings include three floors at Dean Farrar Street, where the previous tenant (the Metropolitan Police Authority) were paying £405,000 per annum (£30.00 per sq ft) and we increased this to £568,023 per annum (£41.50 per sq ft), up 40%. This was an excellent result, especially because the MPA paid the Fund a premium of £592,000 to surrender their lease (equivalent to almost 18 months rent at the old level). We have also completed two more lettings at Chancery Lane and now only have one floor (out of six) remaining. We also successfully let the five remaining empty units at the Ridgewood Industrial Estate prior to the successful sale.

There are a number of other ongoing active management initiatives and lease extensions in progress.

Map of Properties

■ Retail

- 1 Barnet
Sainsbury's, East Barnet Road
- 2 Basildon
Old Market Retail Park
- 3 Bath
5-10 Westgate Buildings
- 4 Bath
4 Union Street
- 5 Birmingham
Halfords, Watery Lane
- 6 Bury
Moorgate Retail Park
- 7 Canterbury
Units 1 & 2 Wincheap
- 8 Chichester
4 East Street
- 9 Chichester
16-17 North Street
- 10 Doncaster
Wickes Unit, Leger Way
- 11 Guildford
Magnet Unit
- 12 London, SE15
593-613 Old Kent Road
- 13 London, N1
54/55 Chapel Market, Islington
- 14 Mansfield
Tesco Extra Store
- 15 Merthyr Tydfil
Pentrebach Retail Park
- 16 Middlesbrough
B&M Retail, Parkway Centre,
Coulby Newham
- 17 Nailsea
Tesco, Stock Way North
- 18 Rayleigh
12-24 Eastwood Road
- 19 Redditch
Trafford Retail Park
- 20 Sheffield
Units 1-7, Cambridge Street,
Barkers Pool
- 21 Southend-on-Sea
169/175 High Street
- 22 Twickenham
Apex Retail Park, Hampton
Road West
- 23 Uttoxeter
Dovefields Retail Park
- 24 Windsor
15-16 Peasod Street
- 25 Worcester
31 High Street

■ Office

- 26 Bath
Westpoint, James Street
- 27 Birmingham
The Pavilions, 3010/3020,
The Crescent
- 28 Chester
Chester Civil Justice Centre,
Trident House

- 29 Chester
Elder House, Sealand Road
- 30 Edinburgh
The Tun, Holyrood
- 31 Feltham
York & Wellington House
- 32 Gloucester
One Waterwells,
Waterwells Business Park
- 33 Leeds
Jubilee House,
Mid Point Business Park
- 34 Leicester
Unit 2, Bede Island North
- 35 London, EC1
Crystal Court, 6-9 Briset Street
- 36 London, N1
8 Shepherdess Walk
- 37 London, SW1
10 Dean Farrar Street
- 38 London, WC2
90 Chancery Lane
- 39 Maidenhead
One Bell Street
- 40 Staines
Magna House, 76-80
Church Street
- 41 Taunton
Sedgemoor House,
Deane Gate Office Park
- 42 Tunbridge Wells
Brooke House & Seymour House,
Mount Ephraim Road
- 43 Woking
One Crown Square
- 44 Wolverhampton
Pendeford House,
Pendeford Business Park

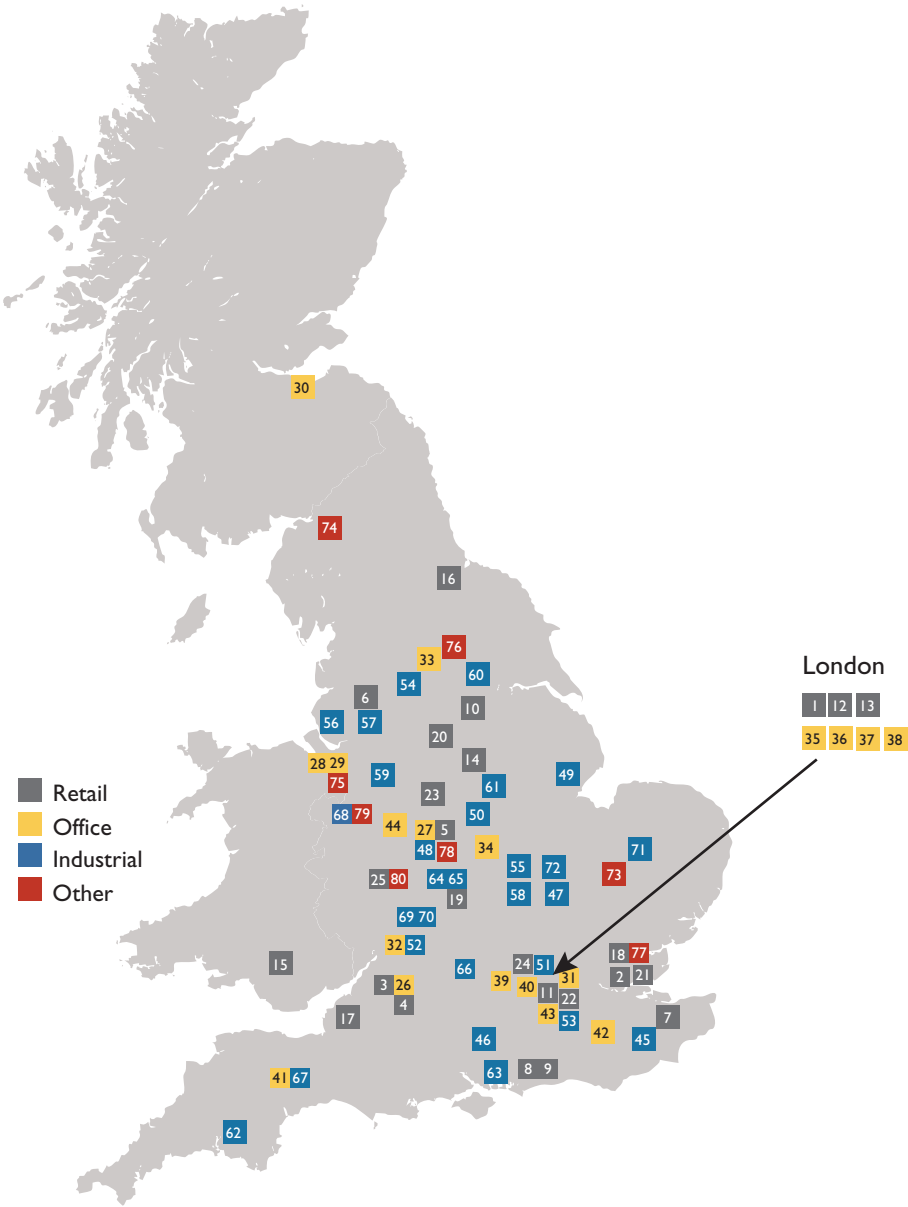
■ Industrial

- 45 Ashford
Units A-D, Phase IV,
Ashford Business Park
- 46 Basingstoke
Bayard (Unit B),
Knights Park, Houndmills
- 47 Biggleswade
Smiths Metal Centres,
Stratton Business Park
- 48 Birmingham
SIG Unit, Emerald Point
- 49 Boston
Havenside, Fishtoft Road
- 50 Burton-upon-Trent
Unipart Logistics, Barberry 157
- 51 Epsom
Epsom Trade Park and
Units 450A & 450B,
Longmead Industrial Estate
- 52 Gloucester
Severn Glocon, Olympus Park
- 53 Hayes
Caxton Point, Printing House Lane
- 54 Huddersfield
Units 1 & 2,
Bradley Junction Industrial Park

- 55 Kettering
Bunzl Unit,
Telford Way Industrial Estate
- 56 Liverpool
Toyota Unit, Hornhouse Lane
- 57 Manchester
Units A & B,
Wardley Cross Industrial Estate
- 58 Milton Keynes
Mount Farm Industrial Estate,
Dawson Road
- 59 Newcastle-Under-Lyme
Unit 1, Rosevale Business Park
- 60 Normanton
Kongsberg Unit, Foxbridge Way
- 61 Nottingham
Turbine Surface Technologies,
Little Oak Drive
- 62 Plymouth
Unit 2, Western Wood Way,
Langage Business Park
- 63 Portsmouth
SMR, Castle Trading Estate
- 64 Redditch
John Lewis, Hedera Road
- 65 Redditch
Alto House, Ravensbank Drive
- 66 Swindon
Jewson Unit, Kembrey Street,
Kembrey Park
- 67 Taunton
Norbert Dentressangle,
Crown Industrial Estate
- 68 Telford
Lacomite Building, Stafford Park 6
- 69 Tewkesbury
Alexandra Way, Ashchurch
Business Centre
- 70 Tewkesbury
Unit 5300, Severn Drive
- 71 Thetford
TNT Unit, Fisons Way
Industrial Estate
- 72 Wellingborough
Avery Dennison,
Warth Park, Raunds

■ Other

- 73 Cambridge
Travelodge, Newmarket Road
- 74 Carlisle
DW Sports, Currock Road
- 75 Chester
Jaguar & Volvo, Sealand Road
- 76 Harrogate
Mercedes Benz, Leeds Road
- 77 Rayleigh
Virgin Active, 200 Rayleigh Road
- 78 Solihull
Rolls Royce & McLaren,
Stratford Road
- 79 Telford
Welcome Break MSA,
Junction 4, M54
- 80 Worcester
BMW & Mini, Knightsbridge Park



List of Properties – Retail

Property	Principal Tenants	Annual Rent As at 24 December 2013 £	Expiry (Breaks)
Barnet	Sainsbury's	1,722,145	2037
Basildon	McDonalds, KFC, Pets at Home, Farm Foods, Store 21	560,010	2016 - 2021
Bath (Westgate Buildings)	Sports Direct, Halfords, Maplin, Sally Salon, Sony Centre, Future Publishing	631,105	2015 - 2021 (2014)
Bath (Union Street)	Dune	146,000	2018
Birmingham	Halfords	105,300	2019
Bury	Carpetright, Halfords, KFC, Home Bargains	557,041	2021 - 2028
Canterbury	Dunelm, Carpetright	521,000	2026
Chichester (East St)	Oasis	87,500	2018
Chichester (North St)	WH Smith	163,750	2022
Doncaster	Wickes	296,327	2018
Guildford	Magnet	600,000	2024
London, NI	J D Sports, Superdrug	194,000	2020
London, SE15	Oak Furniture Land	263,250	2025 (2015)
Mansfield	Tesco	2,538,146	2030
Merthyr Tydfil	Halfords, Tiles 'r' Us, Home Bargains, Sports Direct, Dreams, Phillip Evans, PC World, Poundstretcher	793,494	2013 - 2027 (2018)
Middlesbrough	B&M	239,180	2023
Nailsea	Tesco	1,187,733	2031
Rayleigh (Eastwood Rd)	Co-op	417,500	2025 (2020)
Redditch	Aldi, Pets at Home, Poundstretcher, Iceland, Home Bargains, KFC, Maplin	1,047,268	2019 - 2026
Sheffield	JD Wetherspoon, ASK, Slug and Lettuce, Caffè Nero, Meaty Fish, Yorkshire Metropolitan Housing Association	416,500	2023 - 2034 (2018 - 2019)
Southend-on-Sea	The Works, Early Learning Centre	150,000	2016 - 2020 (2015)
Twickenham	Currys, Wickes	938,500	2019 - 2032
Uttoxeter	B&Q, Brantano, Carpetright, Pets at Home, Argos, B&M, KFC, Frankie & Benny's, PR Bason & J Gathercole, Mumfey's Ices, Poundstretcher, Majestic Wine, Scentarea	948,301	2018 - 2032 (2017 - 2023)
Windsor	Body Shop	132,800	2015
Worcester	Costa Coffee	85,000	2022

List of Properties – Office

Property	Principal Tenants	Annual Rent As at 24 December 2013 £	Expiry (Breaks)
Bath	Abel & Imray, Gradwell Communications, Local World, EIP Partnership Coral Racing, Wickes, Co-op	488,710	2018 - 2024 (2015 - 2018)
Birmingham	Spring Group, Arval UK	714,000	2014 - 2019
Chester	The Secretary of State for Communities and Local Government	437,615	2026 (2016)
Chester	Crest Nicholson	108,000	2020
Edinburgh	BBC, Vattenfall Wind Power, Comas, University of Edinburgh, Ubertas, European Parliament, General Medical Council, MCAL Sweet Retail	520,173	2014 - 2027 (2015 - 2016)
Feltham	The Secretary of State for Communities and Local Government	650,677	2017
Gloucester	Vacant	-	-
Leeds	Car Care Plan	251,100	2017
Leicester	Vacant	-	-
London, EC1	EHS Brann	1,643,912	2016
London, N1	VF Northern Europe, Sunshine Partners, Ticket Script, Spiers & Major, Odd London	572,147	2018 - 2023 (2016 - 2018)
London, SW1	Huntsworth Health, Nigeria LNG, Combined Heat and Power Association and the Carbon Capture and Storage Association, Ciber UK, Professional Contractors Group	1,154,530	2016 - 2024 (2015 - 2019)
London, WC2	Church Retail, The Coffeesmiths Collective, PCB Litigation, Konica Minolta Business Solutions (UK), EMW Law, Alliance Automotive	809,378	2013 - 2023 (2017 - 2018)
Maidenhead	Regus, Ektron	559,582	2017 - 2023 (2015)
Staines	Givaudan UK	103,000	2018
Taunton	Lloyds TSB	242,000	2015
Tunbridge Wells	Cripps Harries Hall	340,000	2014
Woking	RBS, Proctor & Gamble, RJ Rowlands, Wadham & Isherwood, JS2, Clarity, Fresch Coffee, A Daya, Property Law Partners, Base Connections Telemarketing, United Kingdom Tea Council, Business Lending Fund Management, KGW Family Law, Petrofac, Akram Yoga Ltd, Chapters Financial, Bluestar International, Global Support, Bank Training & Development, American Chauffeur Services Worldwide, IOI, TP Legal, Focus International, Margin Oil and Gas	581,010	2011 - 2023 (2013 - 2016)
Wolverhampton	ADAS UK	100,000	2022 (2017)

List of Properties – Industrial

Property	Principal Tenants	Annual Rent As at 24 December 2013 £	Expiry (Breaks)
Ashford	Sauflon Pharmaceuticals, DentalSky	360,754	2015 - 2019 (2014)
Basingstoke	Debenhams	317,000	2017
Biggleswade	Smiths Metal Centres	397,000	2018
Birmingham	Sheffield Insulation Group	310,005	2020
Boston	Fogarty	350,000	2034
Burton-upon-Trent	Unipart Logistics	869,464	2017
Epsom	Storage King, Screwfix Direct, PI World, Milton Keynes Paint & Equipment, Heating and Plumbing Supplies, Mark Group, AVE Europe	681,986	2018 - 2033 (2014 - 2016)
Gloucester	Severn Glocon	525,000	2021
Hayes	Tempur UK	497,097	2016
Huddersfield	VTL Group	302,007	2021
Kettering	Bunzl	490,320	2014
Liverpool	Toyota Tsusho Assembly Systems	593,450	2023 (2020)
Manchester	Royal Mail, Wilkinson Star	318,250	2017 - 2018
Milton Keynes	TNT Logistics	435,085	2016
Newcastle-under-Lyme	John Menzies	502,500	2015
Normanton	Kongsberg Actuation Systems	365,654	2038 (2028)
Nottingham	Turbine Surface Technologies	433,843	2026
Plymouth	Geocel	235,000	2024
Portsmouth	SMR Automotive Mirrors UK	665,000	2019
Redditch (Hedera Road)	John Lewis	1,437,900	2017
Redditch (Alto House)	Sapa Profiles UK	250,000	2020 (2015)
Swindon	Jewson	146,500	2023
Taunton (Crown Industrial Estate)	Norbert Dentressangle Transport Services	87,500	2023 (2018)
Telford	Johnson Controls	715,000	2019
Tewkesbury	Oberthur Card Systems	270,000	2020
Tewkesbury (Unit 5300)	Tata Steel UK	879,417	2023
Thetford	TNT	78,000	2020
Wellingborough	Avery Dennison	488,319	2020

List of Properties – Other

Property	Principal Tenants	Annual Rent As at 24 December 2013 £	Expiry (Breaks)
Cambridge	Travelodge	1,095,000	2048
Carlisle	DW Sports	420,035	2034
Chester	Rybrook	209,724	2036
Harrogate	Rybrook	243,100	2036
Rayleigh	Virgin Active	464,000	2028
Solihull	Rybrook	275,000	2036
Telford	Welcome Break	896,060	2027
Worcester	Rybrook	540,000	2036

Portfolio Statement

At 24 December 2013

Portfolio of Investments	Valuation £000	Percentage of total net assets
Properties valued at greater than £15m		
Tesco, Chesterfield South Road, Mansfield		
Sainsbury's, East Barnet Road, Barnet		
Crystal Court, Briset Street, London, EC1		
Tesco, Stock Way North, Nailsea		
90 Chancery Lane, London, WC2		
10 Dean Farrar Street, London, SW1		
Travelodge, Newmarket Road, Cambridge		
John Lewis, Hedera Road, Ravensbank Business Park, Redditch		
Apex Retail Park, Hampton Road West, Twickenham		
Total	238,575	38.05%
Properties valued at between £10m to £15m		
Trafford Retail Park, Redditch		
MSA, Junction 4, M54, Telford		
Dovefields Retail Park, Uttoxeter		
Unipart Logistics Limited, Barberry 157, Burton-upon-Trent		
Pentrebach Retail Park, Merthyr Tydfil		
Epsom Trade Park and Units 450A & 450B, Epsom		
Unit 5300, Severn Drive, Tewkesbury		
8 Shepherdess Walk, London, N1		
Total	93,075	14.84%
Properties valued at between £5m to £10m		
Magnet Unit, Ladymead, Guildford		
Old Market Retail Park, Station Lane, Pitsea, Basildon		
Rybrook, Knightsbridge Park, Worcester		
One Bell Street, Maidenhead		
Units 1 & 2, Wincheap, Canterbury		
Moorgate Retail Park, Bury		
The Tun, Holyrood, Edinburgh		
York & Wellington House, Dukes Green, Feltham		
Laconite Building, Stafford Park 6, Telford		
SMR Unit, Castle Trading Estate, Porchester, Portsmouth		
5-10 Westgate Buildings, Bath		

Portfolio Statement

	Valuation £000	Percentage of total net assets
Caxton Point, Printing House Lane, Hayes, Middlesex		
TT Assembly Systems, Hornhouse Lane, Liverpool		
200 Rayleigh Road, Rayleigh		
Co-Op, 12-24 Eastwood Road, Rayleigh		
Units 1-7 Cambridge Street, Barkers Pool, Sheffield		
Severn Glocon Ltd, Olympus Park, Gloucester		
Westpoint, James Street, Bath		
The Pavilions, The Crescent, Birmingham		
Chester Civil Justice Centre, Trident House, Chester		
One Crown Square, Woking		
TST Unit, Site 13A, Little Oak Drive, Sherwood Park, Nottingham		
Avery Dennison, Warth Park, Raunds, Wellingborough		
Fogarty Ltd, Havenside, Fishtoft Road, Boston		
Total	169,145	26.98%
Properties valued at between £2.5m to £5m		
Kongsberg Unit, Foxbridge Way, Normanton		
DW Sports, Currock Road, Carlisle		
Units A - D, Phase IV, Ashford Business Park, Ashford		
Smiths Metal Centres, Stratton Business Park, Biggleswade		
Rybrook, Stratford Road, Solihull		
Bayard Unit B, Knight's Park, Houndmills, Basingstoke		
Bunzl Unit, Telford Point, Telford Way Industrial Estate, Kettering		
Unit 1, Rosevale Business Park, Newcastle-Under-Lyme		
Dawson Road, Mount Farm Industrial Estate, Milton Keynes		
Wickes Unit, Leger Way, Doncaster		
Rybrook, Leeds Road, Harrogate		
SIG Unit, Emerald Point, Birmingham		
54/55 Chapel Market, Islington, London, N1		
593-613 Old Kent Road, London, SE15		
Units A & B, Wardley Cross Industrial Estate, Manchester		
Brooke Hse & Seymour Hse, 3/13 Mount Ephraim Road, Tunbridge Wells		

Portfolio Statement

	Valuation £000	Percentage of total net assets
Units 1 & 2 Bradley Junction Industrial Park, Huddersfield		
16/17 North Street, Chichester		
Alexandra Way, Ashchurch Business Centre, Tewkesbury		
Jaguar & Volvo, Sealand Road, Chester		
B&M Unit, Parkway Centre, Coulby Newham, Middlesbrough		
Unit 2, Western Wood Way, Langage Business Park, Plymouth		
Alto House, Ravensbank Drive, Redditch		
Total	84,955	13.55%
Properties valued at between £0m to £2.5m		
4 Union Street, Bath		
Jubilee House, Mid Point Business Park, Leeds		
15/16 Peascod Street, Windsor		
Unit 2, Bede Island North, Western Boulevard, Leicester		
Jewson Unit, Kembrey Street, Kembrey Park, Swindon		
Sedgemoor House, Deane Gate Office Park, Taunton		
31 High Street, Worcester		
4 East Street, Chichester		
One Waterwells, Waterwells Business Park, Gloucester		
169-175 High Street, Southend-on-Sea		
Halfords, Watery Lane, Birmingham		
Magna House, 76-80 Church Street, Staines		
Pendeford House, Pendeford Business Park, Wolverhampton		
Elder House, Sealand Road, Chester		
Norbert Unit, Crown Industrial Estate, Taunton		
TNT Unit, Fisons Way Industrial Estate, Thetford		
Total	25,370	4.05%
Total value of property holdings	611,120	97.47%
Portfolio of investments	611,120	97.47%
Other net assets	15,913	2.53%
Net assets	627,033	100.00%

Expense Ratios

	Total Expense Ratio	Property Expense Ratio	Transaction Cost Ratio
24 December 2013	0.67%	0.52%	0.19%
24 December 2012	0.63%	0.46%	0.18%

The total expense ratio (TER) of the Fund is the ratio of the Fund's total operating costs to its average net assets for the prior 12 months. The property expense ratio (PER) includes those costs associated with the assets which are not recoverable from tenants. Operating costs are specifically those costs associated with operating the Fund itself and do not include additional costs associated with the day to day maintenance of the assets. The transaction cost ratio of the Fund is the ratio of all professional fees and other costs associated with the purchase and sale of property to the Fund's average net assets for the prior 12 months.

Portfolio Turnover Rate

	Portfolio Turnover Rate
24 December 2013	1.35%
24 December 2012	0.00%

The portfolio turnover rate gives an indication of how frequently assets are purchased and sold by the Fund. The calculation has been revised and the 2012 figure restated. The rate is now calculated by dividing the total disposals value for the reporting period by the Fund's average net assets for the prior 12 months. Note, the percentage in 2012 is nil as no assets were disposed in this period.

Distribution Yield

	Distribution Yield
24 December 2013	5.5%
24 December 2012	5.6%

The distribution yield represents the total distribution per unit over the period as a percentage of the net asset value per unit as at the end of the period.

Annualised Performance

	1 Year	3 Years	5 Years
24 December 2013	11.2%	7.2%	7.0%
24 December 2012	3.0%	7.3%	0.9%

Source: AREF/IPD UK Pooled Property Fund Index

Basis: NAV-to-NAV with gross income reinvested.

Investor Analysis

Holding	Number of Beneficial Owners	Total Percentage Holding
Less than 0.01%	375	1.05%
0.01% but less than 0.05%	751	12.28%
0.05% but less than 0.10%	142	9.12%
0.10% but less than 0.50%	126	24.13%
0.50% but less than 1.00%	25	17.21%
1.00% but less than 2.00%	14	19.58%
2.00% but less than 4.00%	1	2.00%
Greater than 4.00%	3	14.63%
Total number of investors and units in issue at the end of the period	1,437	629,731,792.981
Percentage held by the largest investor		6.07%

Fund History

Net Asset Value/ Fund Size	Date	Net Asset Value (£)	Units in Issue	Net Asset Value Per Unit (p)
	31 December 2006	376,392,705	262,457,584	143.39
	31 December 2007	313,506,132	247,728,066	126.53
	31 December 2008	221,433,046	227,584,448	97.96
	31 December 2009	299,665,337	326,100,029	91.61
	31 December 2010	389,326,810	406,947,643	95.55
	31 December 2011	460,929,721	476,359,973	96.76
	24 December 2012	492,061,038	520,137,801	94.61
	24 December 2013	627,033,467	629,731,793	99.57

Price and Income History	Year Ended	Highest Buying Price (p)	Lowest Selling Price (p)	Net Income Per Unit (p)
	31 December 2006	145.82	129.92	7.55
	31 December 2007	149.15	124.69	7.48
	31 December 2008	125.87	96.53	7.77
	31 December 2009	109.34	83.75	7.86
	31 December 2010	97.09	92.87	6.37
	31 December 2011	98.99	94.71	6.03
	24 December 2012	98.18	93.56	5.26
	24 December 2013	101.12	93.75	5.46

Distribution Table

		2013		2012	
Distribution Number	Distribution Period	Distribution Per Unit (p)	Date Paid	Distribution Per Unit (p)	Date Paid
1	25 December to 24 March	1.42	15/05/13	1.36	15/05/12
2	25 March to 24 June	1.34	15/08/13	1.16	15/08/12
3	25 June to 24 September	1.32	15/11/13	1.22	15/11/12
4	25 September to 24 December	1.44	14/02/14	1.37	15/02/13
Total		<u>5.52</u>		<u>5.11</u>	

Statement of the Manager's Responsibilities in Respect of the Interim Financial Statements

The manager of the Charities Property Fund, Cordea Savills Investment Management Limited ('the Manager') has accepted responsibility for the preparation of these interim financial statements for the six month period ended 24 December 2013 which are intended by the Manager to give a true and fair view of the state of affairs of the fund and of the profit or loss for that period. The Manager has decided to prepare the interim financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice).

In preparing these interim financial statements, the Manager has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable UK Accounting Standards have been followed; subject to any material departures being disclosed and explained in the non-statutory accounts; and
- prepared the interim financial statements on the going concern basis as he/she/it believes that the Fund will continue in business. The Manager has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities.

Independent Review Report to Unitholders of The Charities Property Fund

Introduction

We have been engaged by the Manager of the Charities Property Fund (the “Fund”) to review the interim financial statements in the half-yearly report for the six months ended 24 December 2013 which comprises the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet and the Cash Flow Statement, together with the related explanatory notes and the Distribution Table. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

This report is made solely to the Fund’s unitholders as a body in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Fund’s unitholders those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and its unitholders, as a body for our review work, for this report, or for the conclusions we have reached.

Manager’s responsibilities

The half-yearly report is the responsibility of, and has been approved by, the Manager.

The annual financial statements of the Fund are prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). The interim financial statements included in this half-yearly report have been prepared in accordance with the recognition and measurement requirements of UK Generally Accepted Accounting Practice.

Our responsibility

Our responsibility is to express to the Fund’s unitholders as a body a conclusion on the interim financial statements in the half-yearly report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements in the half-yearly report for the six months ended 24 December 2013 are not prepared, in all material respects, in accordance with the recognition and measurement requirements of UK Generally Accepted Accounting Practice.

KPMG LLP

Chartered Accountants

15 Canada Square

London

E14 5GL

27 February 2014

Statement of Total Return and Change in Net Assets Attributable to Unitholders

		Unaudited 6 months to 24 December 2013	Unaudited 6 months to 24 December 2012
	Note	£	£
Net capital gains/(losses)	3	22,420,484	(8,154,616)
Revenue	4	18,724,102	15,898,413
Expenses	5	(3,146,440)	(2,901,135)
Net revenue before finance costs		15,577,662	12,997,278
Finance costs – interest and other	6	(175,176)	(106,572)
Net revenue		15,402,486	12,890,706
Total return before distributions		37,822,970	4,736,090
Finance costs – distributions	7	(15,898,546)	(13,497,320)
Change in net assets attributable to unitholders from investment activities		21,924,424	(8,761,230)
Statement of change in net assets attributable to unitholders			
Opening net assets attributable to unitholders		541,631,489	499,020,449
Net amounts receivable on creation of units		63,477,554	1,801,819
Change in net assets attributable to unitholders from investing activities		21,924,424	(8,761,230)
Closing net assets attributable to unitholders		627,033,467	492,061,038

Balance Sheet

		Unaudited as at 24 December 2013	Unaudited as at 24 December 2012
	Note	£	£
Investment properties	8	611,120,000	468,980,000
Net current assets			
Debtors	9	52,918,887	4,773,478
Cash and bank balances		11,177,508	32,757,666
		<u>64,096,395</u>	<u>37,531,144</u>
Total assets		<u>675,216,395</u>	<u>506,511,144</u>
Less: current liabilities			
Creditors	10	8,293,163	7,299,168
Distribution payable		8,389,765	7,150,938
Credit facility		31,500,000	—
Total liabilities		<u>48,182,928</u>	<u>14,450,106</u>
Net assets attributable to unitholders		<u>627,033,467</u>	<u>492,061,038</u>

The interim financial statements were approved by the Board of Directors of the Manager on 25 February 2014 and were signed on its behalf by

Richard James

25 February 2014

Cash Flow Statement

	Unaudited 6 months to 24 December 2013 £	Unaudited 6 months to 24 December 2012 £
Cash flow from operating activities		
Reconciliation from net operating income to net cash flows from operating activities		
Net revenue before finance costs	15,577,662	12,997,278
Bank interest received	(14,322)	(110,704)
(Increase) in trade and other receivables	(404,778)	(774,662)
(Decrease)/Increase in trade and other payables	(485,479)	4,062,268
Net cash inflow from operating activities	14,673,083	16,174,180
Cash flows from investment activities		
Purchase of properties	(83,838,218)	(28,016,084)
Sale of properties	7,690,248	-
Bank interest received	14,322	110,704
Net cash outflow from investment activities	(76,133,648)	(27,905,380)
Cash flows before financing activities	(61,460,565)	(11,731,200)
Cash flows from financing activities		
Net amounts received on creation	43,489,006	3,454,432
Borrowing costs and interest	(134,673)	(106,572)
Borrowing	31,500,000	-
Income distributions paid	(14,717,025)	(12,350,677)
Net cash inflow/(outflow) from financing activities	60,137,308	(9,002,817)
Net decrease in cash and cash equivalents	(1,323,257)	(20,734,017)
Cash and cash equivalents at the start of the period	12,500,765	53,491,683
Cash and cash equivalents at the end of the period	11,177,508	32,757,666

I Accounting Policies

a) Basis of accounting

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and in accordance with the requirement of the Charities Act 2011 and the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the IMA in October 2010 (the "SORP"), other than as set out in c) below.

The Fund is exempt from complying with the Charities Statement of Recommended Practice as per the guidance under paragraph 449 of that document.

b) Investments

The direct property investments which comprise properties held for rental, are recognised at market value as defined in the Appraisal and Valuation Manual prepared by the Royal Institution of Chartered Surveyors, and in accordance with the Scheme Particulars. The interests in property are valued on a quarterly basis and were last valued by Cushman and Wakefield on 24 December 2013. The aggregate surplus or deficit on revaluation is taken to the Statement of Total Return.

Cost capitalised in respect of properties under development include acquisition costs of land and buildings, costs incurred in bringing the property to its present location and condition and contracted development licence fees in accordance with FRS 15. Properties in the course of development are held at valuation.

Properties, for which unconditional exchange of contracts occurs during the period, are accounted for as acquisitions or disposals within that period. Conditional exchanges are accounted for as acquisitions or disposals only when all substantive conditions have been met but are disclosed in the Managers' Report for information.

The Fund does not have any holdings in indirect property or collective investment schemes.

c) Transaction costs

The Fund aggregates properties in the portfolio statement on pages 9, 10 and 11 in bands greater than 5% and does not disclose transaction costs separately in order to avoid disclosure of sensitive commercial information and does not therefore comply fully with the SORP.

d) Depreciation

No depreciation is provided in respect of freehold and long leasehold investment properties or in respect of assets in the course of construction.

e) Income and expenses

Investment income, rental income, service charges and other expenses are recognised on an accruals basis. The periodic charge of the Manager is deducted from income. Rents received in advance are accounted as prepaid rent within creditors. All expenses other than transaction charges relating to the purchase and sale of investments and certain borrowing costs (see below) are included in 'Expenses' in the Statement of Total Return. Transaction charges are treated as a capital expense.

f) Lease incentives

Benefits to lessees in the form of rent free periods or cash incentives are treated as a reduction in the overall return on the leases and, in accordance with UITF 28 'operating lease incentives', are recognised on a straight line basis over the shorter of the lease term or the period up to the next lease event such as the next rent review date. Capital contributions granted to tenants are shown as a debtor and amortised over the shorter of either the period of the lease or to when the rent is adjusted to the prevailing market rate, usually the first review. The valuation of property investments is reduced by the total of the unamortised capital contributions and any lease incentives in place at the time. Any remaining debtor balances in respect of properties disposed of are included in the calculation of profit or loss arising on disposal.

g) Borrowing costs

Loan arrangement fees payable to RBSI and legal costs associated with the establishment of the facility are deemed to be costs which are incurred to give the Fund the opportunity to enter into the credit facility agreement. On this basis they are deemed to be capital in nature and excluded from distribution calculations. Further detail of these costs is included in Note 6.

h) Distributions payable and distribution policy

Distributions payable are classified as finance costs and are recognised on an accruals basis. Further details of these distributions are included in Note 7. Distributions are calculated in accordance with the Scheme Particulars.

i) Taxation

As a charity the Fund is not currently liable to UK tax on gains arising on disposals of investments, or income from investments, and is not liable to stamp duty land tax on purchases of property.

2 Risk Management

In pursuing its investment objective, the Fund holds a number of properties and financial instruments.

The properties comprise of direct property holdings.

The following financial instruments are held in accordance with the Fund's investment policy:

- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- Short-term borrowings used to finance investment activity and cash flows associated with the application and redemption process; and
- Operating leases on freehold and leasehold properties.

The Manager has responsibility for monitoring the portfolio in accordance with the investment objective and seeks to ensure that investments in direct properties also meet a risk reward profile that is acceptable.

The typical risks applicable to the Fund are market risks, liquidity risk and credit risk.

Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Fund's market risks arise from (a) interest rate movements and (b) market price movements.

a) Interest rate risk

The Fund's exposure to interest rate risk mainly arises from any variation in interest income earned on bank balances and interest payable on credit facilities due to volatility in interest rates. The Manager does not consider interest income earned on bank balances to be a significant risk to the Fund as it is not the intention of the Fund to maintain cash balances for the purpose of generating income, but to invest in investment properties when suitable investments become available.

In respect of interest payable on credit facilities, if a credit facility is utilised, the Manager will consider the life of the borrowing and will take appropriate action on a case by case basis.

b) Market price movements

Direct property is independently valued on a quarterly basis. However such valuations are a matter of the valuer's professional judgement and opinion. Such values may or may not be achieved on a sale of a property.

When proposing and considering a disposal, the Property Adviser and Manager will assess each property and consider factors such as current and estimated future prices, Fund liquidity, upcoming redemptions, cash held by the Fund and the portfolio profile before concluding on whether a property should be disposed of and when.

Liquidity Risk

The key liquidity risk is the holding of direct property assets. Property by its nature is an illiquid investment.

Direct properties are illiquid and the investments are not readily realisable. Sales may take a number of months depending on the nature and location of the asset. The main liquidity risk of the Fund is the redemption of units.

The Manager monitors the level of redemptions, and other cash flows, on a regular basis to ensure sufficient funding is available.

If insufficient cash is available to fund redemptions, the Fund can dispose of direct property holdings, utilise short term credit facilities, and defer redemptions.

Credit Risk

Credit risk, is the risk that one party to a financial arrangement will cause a financial loss for the other party by failing to discharge an obligation.

The Fund assesses the credit risk of third parties before entering into business with third parties. Debtor balances are monitored on a regular basis to mitigate the Fund's exposure to bad debts and in addition the ongoing credit strength of third parties are monitored.

Notes to the Financial Statements continued

Sector exposure risk

The Fund's assets are invested in direct properties. As such the Fund is exposed to sector specific risk as a result of its concentration in the property sector. The underlying risk is the ability to obtain tenants for these properties and tenants being able to fulfil lease commitments.

The Manager mitigates these risks by investing in a diversified portfolio of direct properties in different geographical areas and sectors. In addition, before purchasing a direct property or entering into a new lease, the Manager will examine the covenant strength offered and will aim to let only to tenants with good credit ratings.

3 Net Capital Gains/(Losses)

The net gains/(losses) on investments during the period comprise:

	6 months to 24 December 2013	6 months to 24 December 2012
	£	£
Net proceeds from disposal of properties	7,690,248	-
Carrying value of properties disposed during the period	(7,365,000)	-
Gain realised on properties disposed	325,248	-
Net unrealised gains (losses) on revaluation for the period	22,095,236	(8,154,616)
Net capital gains (losses)	22,420,484	(8,154,616)

4 Revenue

	6 months to 24 December 2013	6 months to 24 December 2012
		£
Rental income	17,050,132	15,206,935
Bank interest	14,322	113,952
Sundry income	1,659,648	577,526
	18,724,102	15,898,413

Sundry income comprises of surrender premiums received by the Fund during the period.

Notes to the Financial Statements continued

5 Expenses

	6 months to 24 December 2013	6 months to 24 December 2012
	£	£
Manager and Property Manager Fees	1,769,184	1,392,353
Corporate Trustee's fees	115,300	105,571
	1,884,484	1,497,924
Other expenses:		
Registration fees	48,557	28,198
Insurance	14,374	201,461
Audit fee	18,589	12,025
Valuation fee	49,588	40,594
Legal and professional fees	369,727	189,310
Marketing and communication costs	29,978	71,896
Vacant property costs	731,143	868,727
Rent review fees	-	(9,000)
	1,261,956	1,403,211
	3,146,440	2,901,135

6 Finance Costs – Interest and Other

Finance cost during the period (excluding distributions) comprises:

	6 months to 24 December 2013	6 months to 24 December 2012
		£
Capital expenses		
Legal & professional fees	11,385	18,833
	11,385	18,833
Revenue expenses		
Loan interest	50,007	-
Non-Utilisation fee	113,784	87,739
	163,791	87,739
Finance costs: Interest and other	175,176	106,572

Notes to the Financial Statements continued

On 24 February 2010, the Fund entered into a 364 day revolving credit facility (the "Facility") with the Royal Bank of Scotland International ("RBSI"). This facility has been extended for one year on 23 February 2011 and 23 February 2012. On 4 February 2013 RBSI approved a further extension effective from 23 February 2013.

The Facility can be utilised as follows:

- a maximum drawdown of £20,000,000 for the purchase of investment properties; and
- a maximum drawdown of £10,000,000 for redemptions and distributions.

At the period end, the Facility was £31,500,000, as the Fund negotiated a £20,000,000 uplift in the Facility to spend ahead of the Q4 equity inflow. This was repaid in full on 15 January 2014. The Fund has not entered into any derivative contracts in respect of interest rates.

Loan arrangement fees payable to RBSI and legal costs associated with the establishment of the Facility are deemed to be costs which are incurred to give the Fund the opportunity to enter into the credit facility agreement. On this basis they are deemed to be capital in nature and excluded from distribution calculations.

7 Finance Costs – Distributions

Finance costs during the period comprise:

	6 months to 24 December 2013	6 months to 24 December 2012
		£
First Interim distribution	7,240,143	6,031,643
Second Interim distribution	8,172,267	6,877,189
Net distributions from income for the period	15,412,410	12,908,832
Capital distribution	486,136	588,488
Total distribution	15,898,546	13,497,320

Details of the distribution per unit are set out in the distribution table on page 15.

Represented by:

Net income	15,402,486	12,890,706
Capital costs	11,385	18,833
Balance of income brought forward	(1,113)	(237)
Balance of income carried forward	(348)	(470)
Distributable capital income	486,136	588,488
Net distribution for the period	15,898,546	13,497,320

The capital distribution represents licence fee income received in relation to properties in the course of development which cannot be recognised as income under UK GAAP.

Notes to the Financial Statements continued

8 Investment Properties

	As at 24 December 2013 £	As at 24 December 2012 £
Value at 24 June 2013/ 24 June 2012	514,350,000	449,690,000
Purchases and capital expenditure during the period	82,039,764	27,444,616
Opening value of properties disposed during the period	(7,365,000)	-
Net unrealised gains/(losses) on valuation	22,095,236	(8,154,616)
At end of period valuation	611,120,000	468,980,000
Comprised of:		
Fully developed properties	611,120,000	460,120,000
Properties in the course of development	-	8,860,000
At end of period	611,120,000	468,980,000

Lease incentives of £1,734,461 (2012: £895,239) are included in the carrying value of the investment properties above.

Split of investment properties by freehold and leasehold

	£ Freehold	£ Leasehold	£ Total
Value at 24 June 2013	392,140,000	122,210,000	514,350,000
Purchases and capital expenditure during the period	71,507,844	10,531,920	82,039,764
Opening value of properties disposed during the period	(7,365,000)	-	(7,365,000)
Net unrealised gains on revaluation	19,662,156	2,433,080	22,095,236
Value at 24 December 2013	475,945,000	135,175,000	611,120,000

All the properties have been valued by external chartered surveyors, Cushman & Wakefield, at £611,120,000 (2012: £468,980,000), in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. The historical cost of the properties is £615,807,165 (2012: £505,131,399)

Notes to the Financial Statements continued

9 Debtors

	As at 24 December 2013	As at 24 December 2012 £
Amounts receivable for creation of units	47,636,705	211,534
Rent receivable	3,102,943	2,604,711
Sundry debtors	97,451	306,870
Insurance prepayment	237,368	33,426
Other prepayments	1,844,420	1,616,937
	52,918,887	4,773,478

10 Creditors

	As at 24 December 2013 £	As at 24 December 2012 £
Purchases awaiting settlement	742,702	248,125
Prepaid rent	4,998,490	5,227,772
Vat payable	1,545,304	897,890
Manager and Property Manager fees	297,596	646,553
Vacant property costs	26,971	109,638
Corporate Trustee fees	60,409	52,550
Credit facility non utilisation fee	49,264	40,753
Valuation fees	26,737	20,518
Legal and professional fees	10,844	9,500
Audit fees	10,529	9,025
Other creditors	474,310	36,844
Loan interest payable	50,007	-
	8,293,163	7,299,168

11 Related Party Transactions

Amounts payable to the Manager, Property Manager or associates of both are shown in Note 5. The amount outstanding at the period end in respect of those fees was £297,596 (24 December 2012: £646,553) and is shown in Note 10.

Amounts payable to the Corporate Trustee or associates of the Corporate Trustee are shown in Note 5. The amount outstanding at the period end in respect of those fees was £60,409 (24 December 2012: £52,550) and is shown in Note 10.

During the period the Property Manager has received transactional fees of £437,607 (24 December 2012: £119,500).

During the period affiliates of the Manager and Property Manager have received fees of £598,317 (24 December 2012: £308,047).

Details of the Manager and Corporate Trustee can be found on pages 31 to 33.

The aggregate monies received through creations and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. Subscription money awaiting investment into the Fund is held in a client money account in the name of Cordea Savills Investment Management Limited, the Manager. The money will be dealt with in accordance with the FSA's Client Money Rules. Amounts still to be received from unit holders are disclosed in Note 9.

12 Post Balance Sheet Events

There were no post balance sheet events requiring disclosure.

13 Contingent Liabilities

There were no contingent liabilities at the period end (24 December 2012: £nil).

General Information

Fund Structure

The Charities Property Fund is a Common Investment Fund which is an open ended investment vehicle, similar to a unit trust, but designed specifically for charities and established under Section 96 of the Charities Act 2011. Common Investment Funds are themselves charities with schemes approved and regulated by the Charity Commission. As a charity, the Fund is currently exempt not only from Stamp Duty Land Tax (currently 4% on all property transactions over £500,000) but also Capital Gains Tax and Income Tax.

Investment Objectives

The Fund aims to provide a high and secure level of income with the prospect of growth in income and to maintain the capital value of assets held in the Fund, through investing in a diversified UK commercial property portfolio. The Fund invests in the principal commercial property sectors: office, retail, industrial and other (alternative uses such as leisure, car showrooms, care homes, motorway service areas). It does not undertake speculative investments.

The Manager does not intend to hold more than 10% in value of the property of the Fund in cash or Near Cash (as defined in FSA Handbook of Rules and Guidance).

Unit Dealing

As the Fund is valued quarterly, units can be purchased at the end of March, June, September and December. Normally units will be redeemed with effect from a quarter day though this is subject to cash being available for redemptions. In addition, where there are both subscriptions and redemptions at a quarter day, the Manager may apply a matching process. Further details of the process for buying and selling units is set out in the Scheme Particulars which are available on request. To protect the overall position of Unit Holders, there are clearly defined restrictions on the right to redeem as are set out in the Scheme Particulars.

Minimum Investment

The minimum investment in the Fund is £25,000 although smaller amounts may be accepted at the Manager's discretion. There is no minimum investment for existing unitholders.

Distribution

The income is paid gross on a quarterly basis, six weeks after each valuation point (on or before 15 February, 15 May, 15 August and 15 November).

Corporate Trustee

The Corporate Trustee will be entitled to receive fees (payable quarterly in arrears) based on the Net Asset Value at the start of the accrual period, on each Valuation Date. The fees (excluding value added tax) will be based on the following annual rates:

- £0 to £200 million – 0.05%;
- above £200 million – 0.0375%.

The Corporate Trustee may increase the current rates of fees if:

- (i) the Corporate Trustee has given notice in writing to the Manager and to the Unit Holders of its intention to increase these rates of fees;

General Information continued

- (ii) the Scheme Particulars have been revised (subject to the prior written approval of the Commission) to reflect the proposed increase in the rates; and
- (iii) 90 days have elapsed since the revised Scheme Particulars became available.

The Manager and Property Manager

The Manager's fees and the Property Manager's fees are combined into one management charge. This periodic management charge shall accrue on a quarterly basis and will be determined by the Net Asset Value of the Fund at the start of the accrual period. It will be deducted and paid at the end of each quarter out of the Fund's assets. The fees (excluding value added tax) will be based on the following annual rates:

- £0 to £100 million – 0.70%;
- £100 to £500 million – 0.525%;
- above £500 million – 0.45%.

The Manager may increase the current annual management fees and the current preliminary charge (or introduce a redemption charge) if:

- (i) the Manager has given notice in writing to the Corporate Trustee and to the Unit Holders of its intention to increase the rates of annual management fees, or to increase the preliminary charge, or to introduce a redemption charge (as the case may be);
- (ii) the Scheme Particulars have been revised subject to the prior written approval of the Commission to reflect the proposed increase in these rates of annual management fees, or to increase the current preliminary charge, or to introduce a redemption charge; and
- (iii) 90 days have elapsed since the revised Scheme Particulars became available.

Preliminary Charge

The Manager also applies a preliminary charge of 0.25% of the initial price of the Units and this is included in the price at which Units may be purchased.

This charge may be reduced at the Manager's sole discretion.

Borrowing Powers

Under the Scheme, the Manager is allowed to borrow money for the use of the Fund in certain circumstances. The Manager intends to use this power when it considers this to be in the best interests of the Unit Holders, principally either to obtain bridging finance to purchase real property for the Fund in anticipation of the receipt of committed subscriptions from existing or new Unit Holders or to finance the redemption of Units pending the receipt of sales proceeds. Borrowing will not exceed 10% of the net value of the assets of the Fund on any Business Day.

Trustee, Manager and Advisers

Corporate Trustee

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Standing Independent Valuer

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Property Manager

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Investment Adviser

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Property Adviser

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W1G 0JD

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Chris Hills - CIO, Investec Wealth Management
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Hamlyn Foundation
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Foundation
Paul Taylor - Investment committee member,
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