CHARITIES PROPERTY FUND

Interim Report & Accounts
for the six months ended 24 December

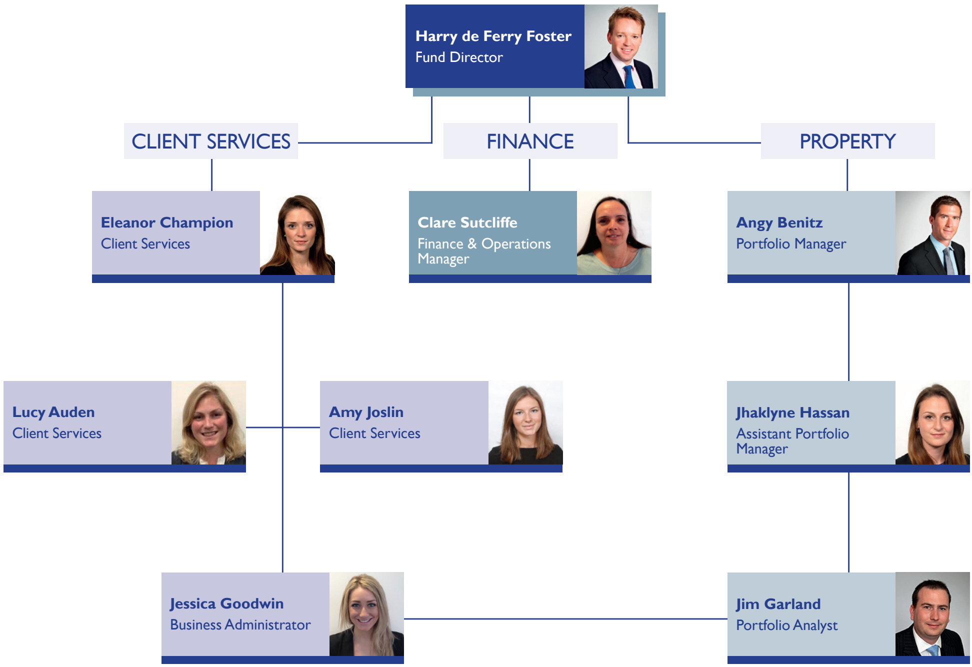
2014

The Charities Property Fund

Cordea Savills is a dedicated specialist international property investment management business with c.£5.5 billion of assets under management (as at 31 December 2014), with an experienced team of 135 professionals located in 11 offices across Europe and Asia. It has provided investment services for over 25 years, comprising separate accounts and investment mandates on an advisory or discretionary basis, and the establishment and management of pooled property funds. Clients include pension funds, insurance companies, endowments, charities and family offices on whose behalf we invest in office, retail, industrial, residential and alternative sectors in property.

Cordea Savills is wholly owned by the Savills Group, a FTSE 250 company and international real estate consultancy. It comprises the original Savills Fund Management business and has been grown significantly since December 2003 to provide the infrastructure and platform for a larger and stronger business. Cordea Savills retains operational independence from the wider Savills Group to enable us to act on a best execution basis on behalf of our clients.

Charities Property Fund Team



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The Charities Property Fund

Investment Objectives

The Charities Property Fund (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 the assets held in the Fund, through investing in a diversified UK commercial property portfolio.

To meet this objective, Cordea Savills Investment Management Limited (the "Manager") targets a total return of 8%, of which three quarters is targeted to be delivered through income. However this is an aspiration and a guideline, not a guarantee, and the level of income may fluctuate. The Manager would also rather sacrifice some income (for example by reducing the rent payable by a tenant in return for extending their lease) if this ultimately leads to greater total returns and security.

The Fund invests in the principal commercial property sectors: office (both London and regional), retail (high street, supermarkets and retail warehouses), industrial (manufacturing and distribution) and alternatives (hotels, motor trade, roadside, healthcare and leisure) but does not undertake speculative developments.

Fund Details

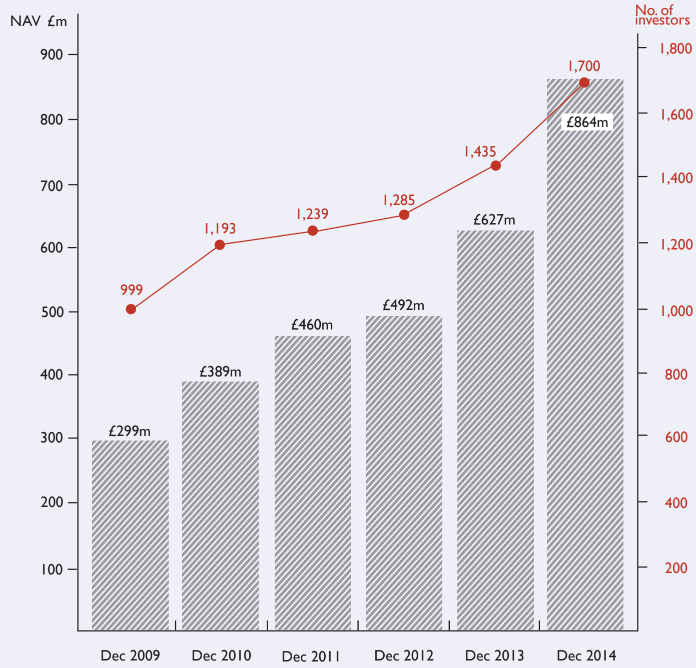
The Fund operating costs (the Total Expense Ratio) are paid from the income account. Whilst this reduces the quarterly distribution payable, we believe that such expenditure should be financed from current income, rather than from capital. A number of other property funds charge some or all of operating costs, such as management fees to capital and thereby artificially inflate their distribution in comparison. Investors should be aware of this when making comparisons. The costs charged to capital by the Fund relate to investment in properties, acquisition and disposal costs or refurbishment.

The Fund does not enter into long term borrowing, but utilises a short term bridging facility to enable it to manage the investment of cash flows associated with the dealing process (i.e. to invest ahead of new applications).

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).

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).

Growth in Fund Size and Number of Investors Between December 2009 and December 2014



Source: Cordea Savills (December 2014)

Fund Performace

The total return during the six months to December 2014 was 7.8%. This compares to the Fund's target return of 4.0% for this six month period. The distribution paid in November 2014 for Q3 2014 was 1.4664 pence per unit and the distribution paid in February 2015 for Q4 2014 was 1.4436 pence per unit. This totals 2.9096 pence per unit for the six month period and reflects a distribution yield of 5.53% based on the June 2014 NAV. This is 5% ahead of the same period in 2013.

The total return for the Fund during the 12 months to December 2014 was 17.3%. This compares to the annual target return of 8.0% and the AREF/IPD UK All Balanced Pooled Property Funds Index of 17.2% over the same period.

The NAV of the Fund has increased 17.5% in the six months to December 2014 and 37.7% in the last 12 months from £627.0 million to £861.5 million. This included £161.6 million of net cash inflow.

The Fund has outperformed its total return target of 8.0% and the AREF/IPD All Balanced Funds Property Index. This has been achieved despite a period of significant growth, with all the associated transaction costs and the time delay involved in investing new subscriptions. This evidences the Fund's continuing ability to source attractive new opportunities in an increasingly competitive market.

	Fund (%)	**AREF All Balanced Funds Index (%)**
Year ended December 2010	+ 11.4	+ 12.2
Year ended December 2011	+ 7.5	+ 6.8
Year ended December 2012	+ 3.0	+ 0.2
Year ended December 2013	+ 11.2	+ 9.1
Year ended December 2014	+ 17.3	+ 17.2
3 year annualised (pa)	**+ 10.4**	**+ 8.6**
5 year annualised (pa)	**+ 10.0**	**+ 8.8**

Source: AREF/IPD UK Quarterly Property Fund Index

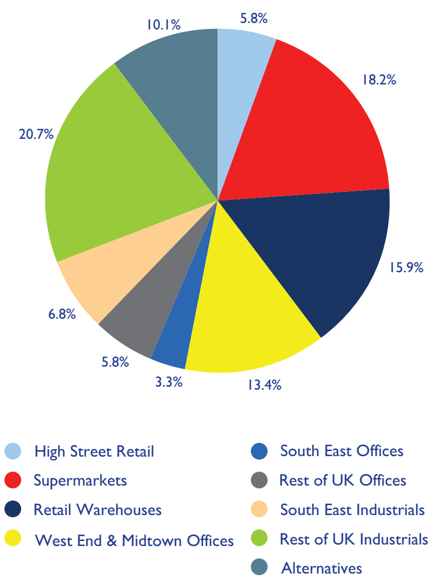
Sector Weightings

The portfolio is well diversified and is not overly exposed to any one particular sector. It continues to have a bias towards London offices, alternatives and the industrial/distribution sectors and it remains underweight (relative to the AREF All Balanced Funds Index) to high street retail, shopping centres, regional offices and the core City of London office market.

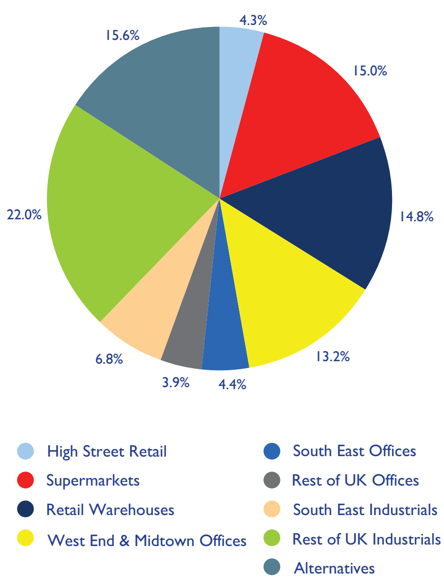
We have increased our exposure to South East offices, rest of UK industrials and alternatives over the last 12 months, whilst reducing our exposure to the high street, supermarkets, retail warehouses and regional offices.

Our exposure to London offices and South East industrials has been maintained despite the growth of the Fund.

CPF December 2013



CPF December 2014



Source: AREF/IPD UK Quarterly Property Fund Index

Portfolio Report - Purchases

The Fund purchased 26 individual property investments in 10 separate transactions over the six months to 24 December 2014, investing £133.125m. Seven out of the 10 transactions were sourced "off market". These properties are generally of high quality and let to very good covenants (94% rated as negligible or low risk by Dun & Bradstreet, compared to IPD at 73%). The leases have on average 17.4 years remaining until expiry and 12 years on average to earliest break (compared to IPD at 9.5 years) and 47% of the income benefits from fixed rental increases. The average yield to the Fund inclusive of acquisition costs is 6.7%. This compares to the IPD Monthly Index of 5.3% as at December 2014.

The Fund's purchases include:

1. Poole – a forward funding of a mixed use leisure development fronting Poole Harbour and adjacent to the railway station and main shopping centre was acquired in July 2014. When completed the property will produce £830,560 per annum in rent and will be let to Travelodge, Costa Coffee, Greene King and The Gym Group for an average of 25 years. The total funding commitment of £11.25 million reflected a yield to the Fund of 7.3%. All of the leases except Costa Coffee benefit from RPI linked rental increases.

2. South Normanton – a manufacturing unit, let to Recticel Limited (with a surety from Recticel SA) on a 19 year lease expiring in December 2031 was acquired for £2.78 million, a yield to the Fund of 7.3%.

3. Warrington – a distribution unit let to City Link until April 2023, with a break option in April 2018 was acquired for £4.08 million, reflecting a yield to the Fund of 7.5%. Despite City Link going into administration on Christmas Day 2014, we already have the unit under offer to an improved covenant on the basis of a higher rent and a longer lease.

4. Tamworth – a headquarter / distribution unit let to Speedy Hire on a new 15 year lease (with a break at year 10) was acquired for a price of £12.00 million, reflecting a yield to the Fund of 7.0%. This also benefits from an RPI linked rent review at year five.

5. Sytner Portfolio (four assets) – a portfolio of three prime car showrooms located in Chigwell, Harrogate and Thames Ditton and one service centre (also located in Thames Ditton) was acquired for £28.83 million, reflecting a yield to the Fund of 6.0%. The properties were let for an average of 35 years (12 years including breaks) and all benefit from RPI linked rent reviews.

6. BP Portfolio (two assets) – a portfolio of two BP petrol stations with M&S convenience stores located in Stow-on-the-Wold and Glenrothes was acquired for £7.66 million, reflecting a yield to the Fund of 5.4%. The two properties were let for an average of 20 years and both benefit from 2.5% per annum rental increases. As part of the same portfolio we have acquired a further two properties let on the same terms in Harrogate and Calne, but these did not complete until early 2015.

7. Beam Portfolio (10 assets) – a mixed portfolio of 10 assets was acquired for £38.4 million, reflecting a yield to the Fund of 7.3%. The purchase comprised an institutional quality portfolio being sold by Aberdeen Asset Management and included three retail warehouses located in Bristol, Chesham and Taunton; two Little Waitroses located in West Malling and Walton-on-Thames; two retail units located in Cheltenham and Derby; two South East office buildings located in Brighton and Milton Keynes and a multi-let industrial estate in Walsall.

8. Normanton – a newly constructed maintenance / distribution unit again let to Speedy Hire on a new 10 year lease was acquired for a price of £2.83 million, reflecting a yield to the Fund of 7.0%.

9. Manchester – a block of serviced apartments located close to Piccadilly railway station, recently refurbished and let to the Serviced Apartment Company Limited (SACO) on a 15 year lease with annual 2.5% per annum compound rental increases was acquired for a price of £9.46 million, reflecting a yield to the Fund of 6.4%.

10. Invictus Portfolio (four assets) – a second portfolio of three prime car showrooms located in Camberley, Birmingham and Stockton-on-Tees and one service centre (located in Colindale, London NW9) was acquired for £15.83 million, reflecting a yield to the Fund of 6.4%. The properties are let to VW Group for an average of 13 years and 30% of the income benefitted from RPI linked rent reviews.

The 26 assets were cumulatively valued at £137.79 million as at 24 December 2014, 3.5% above their combined purchase prices. 18 of these purchases were completed during December.

Portfolio Report - Sales

The Fund completed three sales over the six months to 24 December 2014.

All the properties had benefitted from successful asset management to enhance their value prior to sale.

The Fund's sales include:

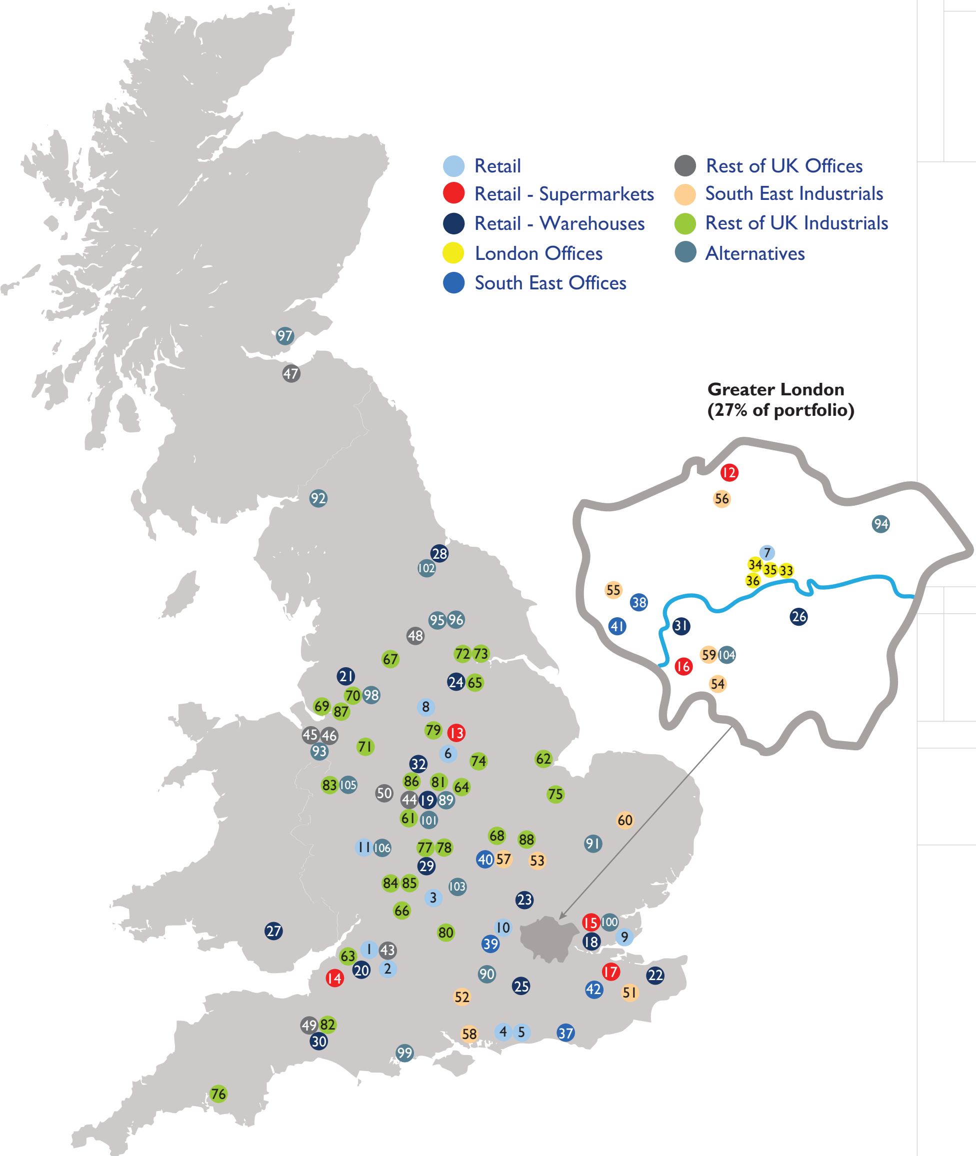
1. An office building in Leicester was sold with vacant possession to N4L Limited for £2.3 million after we had taken a dilapidations payment of £250,000 from the previous tenant, Ericsson Limited (June 2014 valuation: £2.0 million).

2. An industrial unit in Redditch, let to Sapa Profiles UK until May 2020 (with an option to break in May 2018), sold for £3.0 million, a yield of 7.8% (June 2014 valuation: £2.8 million, 8.4%)

3. An office building in London SW1 (Dean Farrar Street) was sold to CERN Pension Fund (European Centre of Nuclear Research) for £26.1 million reflecting a net initial yield of 4.2%. The building had been extensively refurbished and re-let to five different tenants and we felt we had explored and completed all the asset management angles in the building. The property was fully marketed and we believe achieved a premium price (June 2014 valuation: £23.4 million, 4.7%).

Total sales proceeds of £31.4 million reflected an increase of £3.2 million (11.4%), exclusive of sale costs, over the June 2014 valuation of £28.2 million. These properties also contributed approximately £700,000 of income during the period leading up to their sale.

Map of Properties



Map of Properties

Retail - High Street

1 Bath
5-10 Westgate Buildings

2 Bath
4 Union Street

3 Cheltenham
232-234 High Street

4 Chichester
4 East Street

5 Chichester
16-17 North Street

6 Derby
28-30 St Peter's Street

7 London, N1
54-55 Chapel Market, Islington

8 Sheffield
Units 1-7, Cambridge Street,
Barkers Pool

9 Southend-on-Sea
169-175 High Street

10 Windsor
15-16 Peascod Street

11 Worcester
31 High Street

Retail - Supermarkets

12 Barnet
Sainsbury's, East Barnet Road

13 Mansfield
Tesco Extra Store

14 Nailsea
Tesco, Stock Way North

15 Rayleigh
Co-op Eastwood Road

16 Walton-on-Thames
Waitrose, Hepworth Way

17 West Malling
Waitrose, Fortune Way

Retail - Warehouses

18 Basildon
Old Market Retail Park

19 Birmingham
Halfords, Watery Lane

20 Bristol
Pets at Home & McDonald's, Bath Road

21 Bury
Moorgate Retail Park

22 Canterbury
Wincheap Retail Park

23 Chesham
Wickes Unit, Townsend Road

24 Doncaster
Wickes Unit, Leger Way

25 Guildford
Magnet Unit

26 London, SE15
593-613 Old Kent Road

27 Merthyr Tydfil
Pentrebach Retail Park

28 Middlesbrough
B&M Retail, Parkway Centre

29 Redditch
Trafford Retail Park

30 Taunton
Matalan, Bindon Road

31 Twickenham
Apex Retail Park

32 Uttoxeter
Dovefields Retail Park

London Offices

33 London, EC1
Crystal Court, 6-9 Briset Street

34 London, EC2
22-24 Cowper Street

35 London, N1
8 Shepherdess Walk

36 London, WC2
90 Chancery Lane

South East Offices

37 Brighton
Aspect House, Queens Road

38 Feltham
York & Wellington House

39 Maidenhead
One Bell Street

40 Milton Keynes
249 Midsummer Boulevard

41 Staines
Magna House, Church Street

42 Tunbridge Wells
Brooke House & Seymour House,
Mount Ephraim Road

Rest of UK Offices

43 Bath
Westpoint, James Street

44 Birmingham
The Pavilions, The Crescent

45 Chester
Chester Civil Justice Centre,
Trident House

46 Chester
Elder House, Sealand Road

47 Edinburgh
The Tun, Holyrood

48 Leeds
Jubilee House,
Mid Point Business Park

49 Taunton
Sedgemoor House,
Deane Gate Office Park

50 Wolverhampton
Pendeford House,
Pendeford Business Park

South East Industrials

51 Ashford
Units A-D & H, Phase IV,
Ashford Business Park

52 Basingstoke
Debenhams
Knights Park, Houndmills

Map of Properties

53 Biggleswade
Smiths Metal Centres,
Stratton Business Park

54 Epsom
Epsom Trade Park
Longmead Industrial Estate

55 Hayes
Caxton Point, Printing House Lane

56 London, NW9
Capitol Way, Colindale

57 Milton Keynes
Mount Farm Industrial Estate,
Dawson Road

58 Portsmouth
SMR, Castle Trading Estate

59 Thames Ditton
Kingston House Estate, Portsmouth Road

60 Thetford
TNT Unit, Fisons Way Industrial Estate

Rest of UK Industrials

61 Birmingham
SIG Unit, Emerald Point

62 Boston
Havenside, Fishtoft Road

63 Bristol
Kuehne + Nagel,
Poplar Way East, Cabot Park

64 Burton-upon-Trent
Unipart Logistics, Barberry 157

65 Doncaster
Units A&B, Capitol Park

66 Gloucester
Severn Glocon, Olympus Park

67 Huddersfield
Units 1 & 2,
Bradley Junction Industrial Park

68 Kettering
Bunzl Unit,
Telford Way Industrial Estate

69 Liverpool
Toyota Unit, Hornhouse Lane

70 Manchester
Units A & B,
Wardley Cross Industrial Estate

71 Newcastle-Under-Lyme
Unit 1, Rosevale Business Park

72 Normanton
Kongsberg Unit, Foxbridge Way

73 Normanton
Speedy Hire, Trident Park

74 Nottingham
Turbine Surface Technologies, Little Oak Drive

75 Peterborough
Sage, Unit 18, Fengate East

76 Plymouth
Unit 2, Western Wood Way,
Langage Business Park

77 Redditch
John Lewis, Hedera Road

78 Redditch
SP Group, Ravensbank Business Park

79 South Normanton
Recticel, Clover Nook Industrial Estate

80 Swindon
Jewson Unit, Kembrey Street,
Kembrey Park

81 Tamworth
Emperor Point, Centurion Park

82 Taunton
Norbert Dentressangle,
Crown Industrial Estate

83 Telford
Laconite Building, Stafford Park 6

84 Tewkesbury
Alexandra Way, Ashchurch Business Centre

85 Tewkesbury
Unit 5300, Severn Drive

86 Walsall
Maple Leaf Industrial Estate

87 Warrington
Appleton Thorn Trading Estate

88 Wellingborough
Avery Dennison,
Warth Park, Raunds

Alternatives

89 Birmingham
SEAT, Watson Road

90 Camberley
Audi, London Road

91 Cambridge
Travelodge, Newmarket Road

92 Carlisle
DW Sports, Currock Road

93 Chester
Jaguar & Volvo, Sealand Road

94 Chigwell
BMW & Mini, Langston Road

95 Harrogate
Mercedes Benz, Leeds Road

96 Harrogate
Audi, St James Business Park

97 Glenrothes
BP & M&S, Bankhead Park

98 Manchester
Saco house, Minshull Street

99 Poole
Lifeboat Quay

100 Rayleigh
Virgin Active, 200 Rayleigh Road

101 Solihull
Rolls Royce & McLaren, Stratford Road

102 Stockton-on-Tees
Audi, Brooklime Avenue

103 Stow on the Wold
BP & M&S, Fosse Way

104 Thames Ditton
Jaguar Land Rover, Portsmouth Road

105 Telford
Welcome Break MSA, Junction 4, M54

106 Worcester
BMW & Mini, Knightsbridge Park

List of Properties – High Street and Supermarkets

High Street

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	Expiry (Breaks)
Bath (Westgate Buildings)	Sports Direct, Halfords, Maplin, Sally Salon, Sony Centre, Future Publishing	588,605	2015 - 2021 (2015)
Bath (Union Street)	Dune	146,000	2018
Cheltenham	Poundland	128,600	2020
Chichester (East St)	Oasis	87,500	2018
Chichester (North St)	WH Smith	163,750	2022
Derby	Yorkshire Bank, Freedom Sportsline, Rogers Investments, Thomas Cook, Eddowes Waldron & Cash, McDonald's	256,730	2016 - 2019 (2015)
London, N1	J D Sports, Superdrug	194,000	2020
Sheffield	JD Wetherspoon, ASK, Slug and Lettuce, Caffe 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)
Windsor	Body Shop	132,800	2015
Worcester	Costa Coffee	85,000	2022
	Total, High Street	2,349,485	

Supermarkets

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	Expiry (Breaks)
Barnet	Sainsbury's	1,722,145	2037
Mansfield	Tesco	2,227,000	2039
Nailsea	Tesco	1,217,248	2031
Rayleigh (Eastwood Rd)	Co-op	417,500	2025 (2020)
Walton on Thames	Waitrose	121,451	2025 (2020)
West Malling	Waitrose	162,000	2026
	Total, Supermarkets	5,867,344	

List of Properties – Retail Warehouses and London Offices

Retail Warehouses

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	Expiry (Breaks)
Basildon	McDonald's, KFC, Pets at Home, Farm Foods, Store 21	620,181	2020 - 2024
Birmingham	Halfords	105,300	2019
Bristol	Pets at Home, McDonald's	378,320	2022 - 2027
Bury	Carpetright, Halfords, KFC, Home Bargains	557,041	2021 - 2028
Canterbury	Dunelm, Carpetright	521,000	2026
Chesham	Wickes	306,400	2026
Doncaster (Leger Way)	Wickes	296,327	2018
Guildford	Magnet	600,000	2024
London, SE15	B&M	263,250	2025 (2015)
Merthyr Tydfil	Halfords, Home Bargains, Sports Direct, Dreams, PC World, Poundstretcher, Iceland, Phillip Evans	807,018	2015 - 2027 (2018)
Middlesbrough	B&M	239,180	2023
Redditch (Trafford Retail Park)	Aldi, Pets at Home, Poundstretcher, Iceland, Home Bargains, KFC, Maplin	1,047,268	2019 - 2026
Taunton	Matalan	175,185	2029
Twickenham	Currys, Wickes	938,500	2019 - 2032
Uttoxeter	B&Q, Brantano, Carpetright, Pets at Home, Argos, B&M, KFC, Frankie & Benny's, Poundstretcher, Majestic Wine, Scentarea, PR Bason & J Gathercole, Mumfeys Ices	948,301	2018 - 2032 (2017 - 2023)
	Total, Warehouses	7,803,271	

London Offices

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	Expiry (Breaks)
London, EC1	EHS Brann	1,643,912	2016
London, EC2	Michael J Lonsdale Limited	255,000	2019
London, N1	VF Northern Europe, Sunshine Partners, Ticket Script, Spiers & Major, Odd London	572,147	2018 - 2023 (2017 - 2018)
London, WC2	Church Retail, The Coffeesmiths Collective, PCB Litigation, Konica Minolta Business Solutions (UK), EMW Law, Alliance Automotive, Linkdex, The Lord's Taverners	1,285,942	2019 - 2024 (2016 - 2019)
	Total, London Offices	3,757,001	

South East Offices

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	Expiry (Breaks)
Brighton	Care UK, GAB Robins, Dehns, DYN	532,906	2015 - 2021 (2015 - 2016)
Feltham	The Secretary of State for Communities and Local Government	650,677	2017
Maidenhead	Regus, Ektron	559,582	2017 - 2023 (2015)
Milton Keynes	Crawford & Company, Pearson Driving Assessments, Charles Stanley, DHL, Timico, Matrix SCM	501,915	2016 - 2023 (2016 - 2018)
Staines	Givaudan UK	103,000	2018
Tunbridge Wells	Cripps Harries Hall	370,000	2016
	Total, South East Offices	2,718,080	

Rest of UK Offices

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	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	584,740	2019 - 2024 (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, WWF-UK	556,709	2017 - 2027 (2015 - 2020)
Leeds	Car Care Plan	251,100	2017
Taunton	Lloyds TSB	242,000	2015
Wolverhampton	ADAS UK	100,000	2022 (2017)
	Total, Rest of UK Offices	2,768,874	

South East Industrials

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	Expiry (Breaks)
Ashford	Sauflon Pharmaceuticals, DentalSky	472,289	2015 - 2019 (2014)
Basingstoke	Debenhams	317,000	2017
Biggleswade	Smiths Metal Centres	397,000	2018
Epsom	Storage King, Screwfix Direct, LKQ Coatings, Heating and Plumbing Supplies, Mark Group, AWE Europe, HSS Hire Services	697,866	2018 - 2033 (2018 - 2019)
Hayes	Tempur UK	497,097	2016
London, NW9	VW Group	228,544	2031
Milton Keynes	TNT	435,085	2016
Portsmouth	SMR Automotive Mirrors UK	665,000	2019
Thames Ditton	Sytner	320,016	2056 (2026)
Thetford	TNT	78,000	2020
	Total, South East Industrials	4,107,897	

Rest of UK Industrials

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	Expiry (Breaks)
Birmingham	Sheffield Insulation Group	310,005	2020
Boston	Fogarty	350,000	2039
Bristol	Kuehne & Nagel	480,000	2019
Burton-upon-Trent	Unipart Logistics	869,464	2017
Doncaster	Croda Europe Limited, Rental guarantee	972,600	2016 - 2019
Gloucester	Severn Glocon	525,000	2021
Huddersfield	VTL Group	302,007	2021
Kettering	Designer Contracts	490,932	2029
Liverpool	Toyota Tsusho Assembly Systems	593,450	2023 (2020)
Manchester	Royal Mail, Wilkinson Star	318,250	2018 - 2027 (2022)
Newcastle-under-Lyme	John Menzies	502,500	2015
Normanton	Kongsberg Actuation Systems	365,654	2038 (2028)
Normanton	Speedy Hire	199,500	2024
Nottingham	Turbine Surface Technologies	433,843	2026
Peterborough	Sage Publications Ltd	182,900	2020
Plymouth	Ronseal	235,000	2024
Redditch (Hedera Road)	John Lewis	1,437,900	2017
Redditch (9 Hedera Road)	SP Group	684,385	2021 (2016)
South Normanton	Recticel	206,925	2031
Swindon	Jewson	146,500	2023
Tamworth	Speedy Hire	852,500	2029
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
Walsall	Admiral Self Storage, Event Furniture, Rental Guarantee	289,337	2015 - 2029
Warrington	City Link	310,000	2023 (2018)
Wellingborough	CCL Label Limited	488,319	2020
	Total, Rest of UK Industrials	13,498,888	

Alternatives

Property	Principal Tenants	Annual Rent As at 24 December 2014 £	Expiry (Breaks)
Birmingham	VW Group - SEAT	153,872	2027
Camberley	VW Group - Audi	333,765	2026
Cambridge	Travelodge	1,095,000	2048
Carlisle	DW Fitness	420,035	2034
Chester	Rybrook - Jaguar & Volvo	209,724	2036
Chigwell	Sytner - BMW & Mini	704,036	2056 (2026)
Glenrothes	BP & M&S	233,615	2034
Harrogate (Leeds Road)	Rybrook - Mercedes Benz	243,100	2036
Harrogate (St James)	Sytner - Audi	384,020	2025
Manchester	Serviced Apartment Company (SACO), Rental Guarantee	605,600	2016 - 2028
Poole	Under Construction	-	-
Rayleigh	Virgin Active	464,000	2028
Solihull	Rybrook - McLaren & Rolls Royce	275,000	2036
Stockton-on-Tees	VW Group - Audi	311,137	2027
Stow on the Wold	BP & M&S	185,000	2033
Telford	Welcome Break - Waitrose, Shell, WH Smith, Burger King, Starbucks, Krispy Kreme	896,060	2027
Thames Ditton	Sytner - Jaguar Land Rover	345,617	2056 (2026)
Worcester	Rybrook - BMW & Mini	540,000	2036
	Total, Alternatives	7,399,581	

At 24 December 2014

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		
90 Chancery Lane, London, WC2		
Tesco, Stock Way North, Nailsea		
Travelodge, Newmarket Road, Cambridge		
John Lewis, Hedera Road, Ravensbank Business Park, Redditch		
Trafford Retail Park, Redditch		
Apex Retail Park, Hampton Road West, Twickenham		
Total	257,350	29.87%
Properties valued at between £10m to £15m		
Dovefields Retail Park, Uttoxeter		
MSA, Junction 4, M54, Telford		
Strata and Croda Units, Thorne, Doncaster		
BMW & Mini, Langston Road, Loughton, Chigwell		
Emperor Point, Centurion Park, Tamworth		
8 Shepherdess Walk, London, N1		
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		
Old Market Retail Park, Station Lane, Pitsea, Basildon		
Magnet Unit, Ladymead, Guildford		
Total	147,350	17.10%

Portfolio Statement

Properties valued at between £5m to £10m	Valuation £000	Percentage of total net assets
SP Group, Hedera Road, Ravensbank Business Park, Redditch		
Saco, Minshull Street, Manchester		
BMW & Mini, Knightsbridge Park, Worcester		
Laconite Building, Stafford Park 6, Telford		
5-10 Westgate Buildings, Bath		
One Bell Street, Maidenhead		
York & Wellington House, Dukes Green, Feltham		
SMR Unit, Castle Trading Estate, Porchester, Portsmouth		
Units 1 & 2, Wincheap, Canterbury		
Moorgate Retail Park, Bury		
Toyota Tsusho Unit, Hornhouse Lane, Liverpool		
The Tun, Holyrood, Edinburgh		
Caxton Point, Printing House Lane, Hayes		
Aspect House, Queens Road, Brighton		
Severn Glocon Ltd, Olympus Park, Gloucester		
11 Poplar Way East, Cabot Park, Bristol		
Westpoint, James Street, Bath		
Units A-D&H, Phase IV, Ashford Business Park, Ashford		
Avery Dennison, Warth Park, Raunds, Wellingborough		
Mercedes Benz, Leeds Road, Harrogate		
TST Unit, Site 13A, Little Oak Drive, Sherwood Park, Nottingham		
Jaguar Land Rover, Portsmouth Road, Thames Ditton		
Units 1-7 Cambridge Street, Barkers Pool, Sheffield		
200 Rayleigh Road, Rayleigh		
12-24 Eastwood Road, Rayleigh		
Bunzl Point, Telford Point, Telford Way Industrial Estate, Kettering		
Chester Civil Justice Centre, Trident House, Chester		
Bath Road, Brislington, Bristol		
Two Four Nine, Midsummer Boulevard, Milton Keynes		
Fogarty Ltd, Havenside, Fishtoft Road, Boston		
The Pavilions, The Crescent, Birmingham		
Cowper Street, London, EC2		
Kongsberg Unit, Foxbridge Way, Normanton		
Audi, London Road, Camberley		
DW Sports, Currock Road, Carlisle		
Audi, Brooklime Avenue, Stockton-on-Tees		
Total	259,465	30.12%

Properties valued at between £2.5m to £5m	Valuation £000	Percentage of total net assets
Smiths Metal Centres, Stratton Business Park, Biggleswade		
Wickes, Townsend Road, Chesham		
Rybrook Ltd, Stratford Road, Solihull		
Jaguar Land Rover Service Centre, Portsmouth Road, Thames Ditton		
Bayard Unit B, Knight's Park, Houndmills, Basingstoke		
Bankhead Park Service Station, Woodside Way, Glenrothes, Fife		
Rybrook Vehicles Ltd, Leeds Road, Harrogate		
Emerald Point, Bell Heath Way, Birmingham		
Appleton Thorn Trading Estate, Warrington		
Units A & B, Wardley Cross Industrial Estate, Manchester		
593-613 Old Kent Road, London, SE15		
Wickes Unit, Leger Way, Doncaster		
Dawson Road, Mount Farm Industrial Estate, Milton Keynes		
54/55 Chapel Market, Islington, London, W1		
Units 1 & 2 Bradley Junction Industrial Park, Huddersfield		
Skoda/Volkswagen, 78 Capitol Way, Colindale, London		
Alexandra Way, Ashchurch Business Centre, Tewkesbury		
Rybrook Cars Ltd, Sealand Road, Chester		
Brooke & Seymour House, 3/13 Mount Ephraim Road, Tunbridge Wells		
Unit 1, Rosevale Business Park, Newcastle-Under-Lyme		
Station Road Garage, Stow on the Wold		
Waitrose, Fortune Way, Kings Hill, West Malling		
16/17 North Street, Chichester		
B&M Unit, Parkway Centre, Coulby Newham, Middlesbrough		
Maple Leaf Industrial Estate, Bloxwich Lane, Walsall		
Unit 2, Western Wood Way, Langage Business Park, Plymouth		
Clover Nook Industrial Estate, Alfreton, South Normanton		
Trident Park, Normanton		
Unit 18, Fengate East, Peterborough		
SEAT, Watson Road, Star City, Birmingham		
Total	116,825	13.56%

Portfolio Statement

Properties valued at between £2.5m to £5m	Valuation £000	Percentage of total net assets
4 Union Street, Bath		
Lifeboat Quay, West Quay Road, Poole		
Bindon Road, Taunton		
Jewson Unit, Kembrey Street, Kembrey Park, Swindon		
Jubilee House, Mid Point Business Park, Leeds		
Hepworth Way, Walton-on-Thames		
15/16 Peascod Street, Windsor		
232-234 High Street, Cheltenham		
Sedgemoor House, Deane Gate Office Park, Taunton		
4 East Street, Chichester		
31 High Street, Worcester		
Halfords, Watery Lane, Birmingham		
169-175 High Street, Southend-on-Sea		
Magna House, 76-80 Church Street, Staines		
Norbert Unit, Crown Industrial Estate, Taunton		
28-30 St Peter's Street and 27-21 Green Lane, Derby		
TNT Unit, Fisons Way Industrial Estate, Thetford		
Pendeford House, Pendeford Business Park, Wolverhampton		
Elder House, Sealand Road, Chester		
Total	29,965	3.48%
Total value of property holdings	**810,955**	**94.13%**
Portfolio of investments	**810,955**	**94.13%**
Other net assets	**50,595**	**5.87%**
Net assets	**861,550**	**100.00%**

Expense Ratios

	Total Expense Ratio	Property Expense Ratio	Transaction Cost Ratio
24 December 2014	0.56%	0.21%	0.54%
24 December 2013	0.67%	0.52%	0.19%

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 ownership 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 2014	5.35%
24 December 2013	1.35%

The portfolio turnover rate gives an indication of how frequently assets are purchased and sold by the Fund.

Distribution Yield

	Distribution Yield
24 December 2014	5.0%
24 December 2013	5.5%

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 2014	17.3%	10.4%	10.0%
24 December 2013	11.2%	7.2%	7.0%

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%	523	1.36%
0.01% but less than 0.05%	853	13.74%
0.05% but less than 0.10%	146	9.30%
0.10% but less than 0.50%	137	26.48%
0.50% but less than 1.00%	26	18.15%
1.00% but less than 2.00%	9	11.91%
2.00% but less than 4.00%	5	14.16%
Greater than 4.00%	1	4.90%
Total number of investors and units in issue at the end of the period	**1,700**	**780,413,123**
Percentage held by the largest investor		**4.90%**

Fund History

Net Asset Value/ Fund Size	Date	Net Asset Value (£)	Units in Issue	Net Asset Value Per Unit (p)
	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
	24 December 2014	861,549,836	780,413,123	110.40

Price and Distribution History	Year Ended	Highest Buying Price (p)	Lowest Selling Price (p)	Net Distribution Per Unit (p)
	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
	24 December 2014	112.36	99.63	5.57

Distribution

		2014		2013	
Distribution Number	**Distribution Period**	**Distribution Per Unit** (p)	**Date Paid**	**Distribution Per Unit** (p)	**Date Paid**
1	25 December to 24 March	1.37	15/05/14	1.42	15/05/13
2	25 March to 24 June	1.29	15/08/14	1.34	15/08/13
3	25 June to 24 September	1.47	14/11/14	1.32	15/11/13
4	25 September to 24 December	1.44	13/02/15	1.44	14/02/14
Total		5.57		5.52	

The Fund distributes all available income for each quarter and therefore does not need to apply an equalisation policy.

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 2014 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 it believes that the Fund will continue in business. The Manager has general responsibility for taking such steps as are reasonably open to it 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 and accounts for the six months ended 24 December 2014 which comprise 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 on page 25. 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 interim financial statements are the responsibility of, and have 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 and accounts 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 and accounts for the six months ended 24 December 2014 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
6 March 2015

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

	Note	Unaudited 6 months to 24 December 2014 £		Unaudited 6 months to 24 December 2013 £	
Net capital gains	3		40,353,273		22,420,484
Revenue	4	21,813,280		18,724,102	
Expenses	5	(2,315,927)		(3,146,440)	
Net revenue before finance costs		19,497,353		15,577,662	
Finance costs – interest and other	6	(170,245)		(175,176)	
Net revenue			19,327,108		15,402,486
Total return before distributions			59,680,381		37,822,970
Finance costs – distributions	7		(21,024,904)		(15,898,546)
Change in net assets attributable to unitholders from investment activities			38,655,477		21,924,424
Statement of change in net assets attributable to unitholders					
Opening net assets attributable to unitholders			732,792,627		541,631,489
Net amounts receivable on creation of units			90,101,732		63,477,554
Change in net assets attributable to unitholders from investing activities			38,655,477		21,924,424
Closing net assets attributable to unitholders			861,549,836		627,033,467

Balance Sheet

	Note	Unaudited as at 24 December 2014 £		Unaudited as at 24 December 2013 £	
Investment properties	8		810,955,000		611,120,000
Net current assets					
Debtors	9	72,465,767		52,918,887	
Cash and bank balances		17,398,033		11,177,508	
			89,863,800		64,096,395
Total assets			900,818,800		675,216,395
Less: current liabilities					
Creditors	10	12,653,041		8,293,163	
Distribution payable		10,785,923		8,389,765	
Credit facility		15,830,000		31,500,000	
Total liabilities			39,268,964		48,182,928
Net assets attributable to unitholders			861,549,836		627,033,467

The interim financial statements were approved by the Board of Directors of the Manager on 6 March 2015 and were signed on its behalf by

Richard James

6 March 2015

Cash Flow Statement

	Unaudited 6 months to 24 December 2014 £	Unaudited 6 months to 24 December 2013 £
Cash flow from operating activities		
Reconciliation from net operating income to net cash flows from operating activities		
Net revenue before finance costs	19,497,353	15,577,662
Bank interest received	(56,860)	(14,322)
Increase in trade and other receivables	(2,107,187)	(404,778)
Increase/(decrease) in trade and other payables	1,623,319	(485,479)
Net cash inflow from operating activities	18,956,625	14,673,083
Cash flows from investment activities		
Purchase of properties	(125,333,523)	(83,838,218)
Sale of properties	5,216,218	7,690,248
Bank interest received	56,860	14,322
Net cash outflow from investment activities	(120,060,445)	(76,133,648)
Cash flows before financing activities	(101,103,820)	(61,460,565)
Cash flows from financing activities		
Net amounts received on creation	85,827,230	43,489,006
Borrowing costs and interest	(161,577)	(134,673)
Proceeds from borrowings	15,830,000	31,500,000
Distributions paid	(18,840,172)	(14,717,025)
Net cash inflow from financing activities	82,655,481	60,137,308
Net decrease in cash and cash equivalents	(18,448,339)	(1,323,257)
Cash and cash equivalents at the start of the period	35,846,372	12,500,765
Cash and cash equivalents at the end of the period	17,398,033	11,177,508

1 Accounting Policies

a) Basis of accounting

The interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties 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) Investment properties

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 2014. The aggregate surplus or deficit on revaluation is taken to the Statement of Total Return.

Costs capitalised in respect of investment properties under development include acquisition costs of land and buildings, costs incurred in bringing the property to its present location and condition in accordance with FRS 15. Investment 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, cash incentives and capital contributions 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. The total of the unamortised capital contributions and any lease incentives in place at period end are included within the carrying value of investment properties rather than held as a separate debtor. Any remaining debtor balances in respect of properties disposed of are included in the calculation of profit or loss arising on dispoal.

g) Borrowing costs
Loan arrangement fees payable 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 Manager 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 and the Fund's investment properties may not be readily realisable for cash. 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 them and debtor balances are monitored on a regular basis to mitigate the Fund's exposure to bad debts. The ongoing credit strength of third parties is monitored.

Sector exposure risk

The Fund's assets are primarily direct investment 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

The net gains on investments during the period comprise:

	6 months to 24 December 2014	6 months to 24 December 2013
	£	£
Net proceeds from disposal of properties	31,022,218	7,690,248
Carrying value of properties disposed during the period	(28,200,000)	(7,365,000)
Gain realised on properties disposed	2,822,218	325,248
Net unrealised gains on revaluation for the period	37,531,055	22,095,236
Net capital gains	40,353,273	22,420,484

4 Revenue

	6 months to 24 December 2014	6 months to 24 December 2013
		£
Rental income	21,498,565	17,050,132
Bank interest	56,860	14,322
Sundry income	257,855	1,659,648
	21,813,280	18,724,102

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

5 Expenses

	6 months to 24 December 2014	6 months to 24 December 2013
	£	£
Manager and Property Manager Fees	1,650,653	1,769,184
Corporate Trustee's fees	72,192	115,300
	1,722,845	1,884,484
Other expenses:		
Registration fees	-	48,557
Insurance	20,528	14,374
Audit fee	21,432	18,589
Valuation fee	81,214	49,588
Legal and professional fees	294,617	369,727
Marketing and communication costs	36,411	29,978
Vacant property costs	138,880	731,143
	593,082	1,261,956
	2,315,927	3,146,440

6 Finance Costs – Interest and Other

Finance cost during the period (excluding distributions) comprises:

	6 months to 24 December 2014	6 months to 24 December 2013
		£
Capital expenses		
Legal & professional fees	31,910	11,385
	31,910	11,385
Revenue expenses		
Loan arrangement fee	35,717	-
Loan interest	8,667	50,007
Non-Utilisation fee	93,951	113,784
	138,335	163,791
Finance costs: Interest and other	170,245	175,176

On 20 February 2014, the Fund entered into a two year fixed revolving credit facility (the "Facility") with the Royal Bank of Scotland International ("RBSI") which expires in February 2016.

The Facility can be utilised as follows:

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

At the period end, the drawn down balance on the Facility was £15,830,000, this was repaid in full on 8 January 2015.

Legal costs associated with the establishment of the Facility are deemed to be costs which are incurred in entering 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 2014	6 months to 24 December 2013 £
First Interim distribution	9,405,930	7,240,143
Second Interim distribution	9,952,646	8,172,267
Net distributions from income for the period	19,358,576	15,412,410
Capital distribution	1,666,328	486,136
Total distribution	21,024,904	15,898,546

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

Represented by:		
Net income	19,327,108	15,402,486
Capital costs	31,910	11,385
Balance of income brought forward	(1,981)	(1,113)
Balance of income carried forward	1,538	(348)
Distributable capital income	1,666,329	486,136
Net distribution for the period	21,024,904	15,898,546

8 Investment Properties

	As at 24 December 2014 £	As at 24 December 2013 £
Value at 24 June 2014/ 24 June 2013	675,330,000	514,350,000
Purchases and capital expenditure during the period	126,048,115	82,039,764
Opening value of properties disposed during the period	(28,200,000)	(7,365,000)
Net unrealised gains on valuation	37,531,055	20,360,775
Movement in lease incentives	245,830	1,734,461
At end of period valuation	810,955,000	611,120,000

Lease incentives of £2,388,072 (2013: £1,734,461) 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 2014	536,355,000	138,975,000	675,330,000
Purchases and capital expenditure during the period	119,248,980	6,799,135	126,048,115
Opening value of properties disposed during the period	(28,200,000)	-	(28,200,000)
Net unrealised gains/(losses) on revaluation	38,590,190	(1,059,135)	37,531,055
Movement in lease incentives	245,830	-	245,830
	666,240,000	144,715,000	810,955,000

All the properties have been valued by external chartered surveyors, Cushman & Wakefield, at £810,955,000 (2013: £611,120,000), in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. The historical cost of the properties is £733,625,564 (2013: £615,807,165)

9 Debtors

	As at 24 December 2014	As at 24 December 2013 £
Amount receivable on sale	26,100,000	-
Amounts receivable for creation of units	37,285,151	47,636,705
Rent receivable	719,305	-
Amounts due from managing agents	7,331,934	3,102,943
Sundry debtors	641,586	97,451
Insurance prepayment	256,485	237,368
Other prepayments	131,306	1,844,420
	72,465,767	52,918,887

Amount receivable on sale relates to Dean Farrar Street and was received post the period end.

10 Creditors

	As at 24 December 2014 £	As at 24 December 2013 £
Purchases awaiting settlement	1,153,720	742,702
Sales awaiting settlement	294,000	-
Prepaid rent	9,528,775	4,998,490
Vat payable	1,136,992	1,545,304
Manager and Property Manager fees	215,497	297,596
Vacant property costs	45,164	26,971
Corporate Trustee fees	30,336	60,409
Credit facility non utilisation fee	43,539	49,264
Valuation fees	36,621	26,737
Legal and professional fees	44,668	10,844
Audit fees	12,500	10,529
Other creditors	102,562	474,310
Loan interest payable	8,667	50,007
	12,653,041	8,293,163

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 £215,497 (24 December 2013: £297,596) 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 £30,336 (24 December 2013: £60,409) and is shown in Note 10.

During the period the Property Manager has received transactional fees of £268,300 (24 December 2013: £437,607).

During the period affiliates of the Manager and Property Manager have received letting and negotiation fees of £nil (24 December 2013: £598,317).

Details of the Manager and Corporate Trustee can be found on pages 41 to 43.

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 LLP. The money will be dealt with in accordance with the FCA'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 2013: £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 FCA 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. The Manager may, at its sole discretion, defer the acceptance of applications on a pro rata basis when the value of Unit applications exceeds the value of Units the Manager believes is prudent to issue. These applications for Units which have been scaled back will remain valid in respect of the unallocated element for a further three months, i.e. until the next Dealing Date and will be dealt with in priority to those applications first made at this dealing date.

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 Unitholders, there are clearly defined restrictions on the right to redeem as 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 – 0.02%.
- above £200 million – 0.015%.

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;
(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.

Alternative Investment Fund Manager (AIFM)

Under an AIFM Agreement, the Fund appointed the existing manager of the Fund, Cordea Savills Investment Management Limited as its alternative investment fund manager (AIFM) for the purposes of the AIFM Directive. The AIFM is admitted and regulated in the United Kingdom by the Financial Conduct Authority (the "FCA").

The AIFM is subject to the requirements set out in the AIFM Directive, the Scheme and the Scheme Particulars. In its capacity as AIFM, it carries out the following tasks under the AIFM Agreement:

(i) Asset management of the Fund, including, without limitation, portfolio and risk management; and

(ii) Marketing and distribution of units in the Fund.

In accordance with the provisions of the AIFM Directive and with the approval of the FCA, the AIFM may delegate, at its own responsibility and cost and under its own supervision, tasks to other entities suitable for the relevant purpose and having the necessary qualification, experience and resources. Any such delegation will be disclosed to the investors. The portfolio management of the Fund was delegated to the Cordea Savills LLP by the AIFM. Citibank International Ltd was appointed as the depositary of the Fund. To cover potential professional liability risks resulting from negligence in its business activities, the AIFM has appropriate and sufficient professional indemnity insurance, as stipulated by the relevant provisions of the AIFM Directive.

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

Details

Corporate Trustee and Depositary
Citibank International Plc
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Manager
Cordea Savills Investment Management Limited
33 Margaret Street
London
W1G 0JD

Investment Adviser
Cordea Savills Investment Management Limited
33 Margaret Street
London
W1G 0JD

Property Manager
Cordea Savills LLP
33 Margaret Street
London
W1G 0JD

Standing Independent Valuer
Cushman & Wakefield LLP
43-45 Portman Square
London
W1A 3BG

Auditor
KPMG LLP
15 Canada Square
London
E14 5GL

Legal Adviser
Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Property Management Company
Savills (UK) Limited
33 Margaret Street
London
W1G 0JD

Performance Measurement
Investment Property Databank (IPD)
7-8 Greenland Place
London
NW1 0AP

Advisory Committee

Malcolm Naish	Member of the Advisory Panel and Board, Greenwich Hospital
Nick Downer	Bursar, Selwyn College, Cambridge
Chris Hills	CIO, Investec Wealth Management
Richard Robinson	Investment Director, Paul Hamlyn Foundation
Wilf Stephenson	Bursar, Oriel College, Oxford
Andrew Chapman	CIO, The Health Foundation
Paul Taylor	Investment committee member, Latymer Upper School
Alan Fletcher	Investment committee member, Church of England Pensions Board and Chairman of Investment Committee, Leicester Diocesan Board of Finance

CHARITIES PROPERTY FUND

33 Margaret Street
London W1G 0JD

Telephone: 0203 107 5439
Fax: 0845 409 1281

cpf@cordeasavills.com
www.cpfund.org.uk

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www.fsc.org
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