

THE CHARITIES PROPERTY FUND FACTSHEET

Fund Objectives

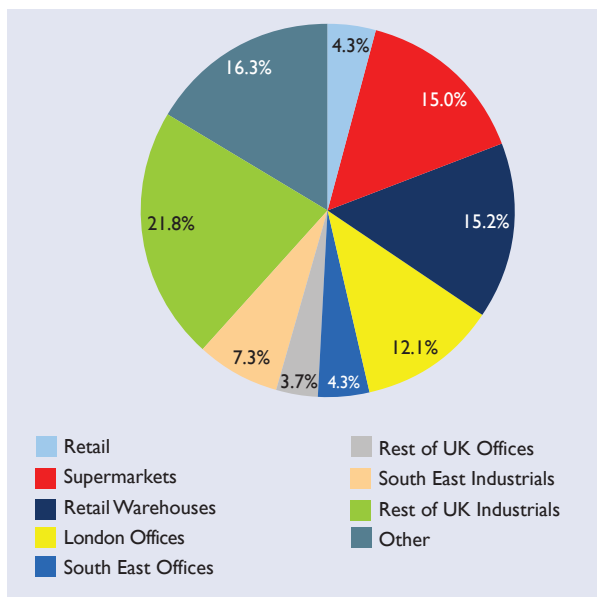
The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (including Scotland and Northern Ireland). It is a Common Investment Fund (CIF) regulated by the Charity Commission.

The Fund's objective is to invest in property throughout the UK to provide a balanced portfolio. It aims to provide a high and secure level of income and to maintain the capital value of assets held.

Key Points

- Well diversified
- 113 properties and 241 tenants
- High yielding (5.3% net forecast as at March 2015)
- Low vacancy rate (1.0% versus IPD at 9.4%)
- No borrowing
- Strong covenants (84% rated low or negligible risk, compared to IPD at 76%)
- Allowing for void property, the Fund has a long unexpired average lease term of 10.9 years to expiry (9.3 years to break). IPD: 10.6 years to expiry (9.4 years to break) on the same basis
- 25% of the income benefits from fixed rental increases

CPF Portfolio March 2015



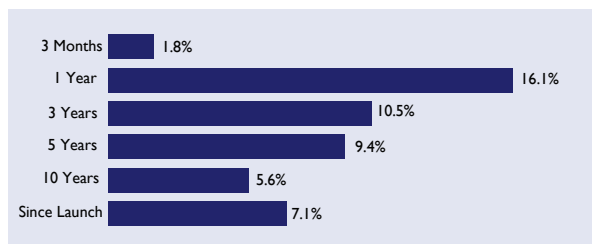
Source: Cordea Savills, March 2015

Fund Information (as at 31 March 2015)

Launch date	September 2000
Fund size	£920 million
No of investors	1,752
Historic distribution yield	5.1%*
Prospective distribution yield	5.3%**
Fund costs (TER)	0.56% per annum
Unit price	Bid - 109.83 pence Offer - 112.54 pence NAV - 111.11 pence
Bid/Offer spread	2.5%***
SEDOL	0208075
Next distribution date	15 May 2015
Last distribution payment	1.44p per unit
Next dealing date	30 June 2015 [#]

* Based on the last four distributions declared divided by the current NAV
 ** Based on the next four estimated distributions divided by the current NAV
 *** Assuming Fund fully invested
[#] Applications must be received on the 15th day of the month in which the Valuation Date falls (or if that is not a Business Day the preceding Business Day) for dealing on the next Dealing Date

Fund Performance (per annum)



Source: Cordea Savills, IPD (March 2015)
 Basis: NAV-to-NAV with gross income reinvested
 The Charities Property Fund launched in 2000

The Fund total return for Q1 2015 was 1.8% compared to 2.8% for the IPD All Balanced Funds Property Index. Over the last 12 months the Fund has produced a total return of 16.1% compared to 16.6% for the Index.

Applications

£52.6 million (net) of new applications were accepted this quarter. Uncommitted cash on deposit is £67.3 million (7.3%), however £47 million is committed to ongoing transactions.

Purchases

There have been three purchases this quarter including a retail warehouse park, a convenience supermarket and an industrial unit. The purchases amounted to £12 million, providing an average yield to the Fund of 6.7%.

The first acquisition was a retail warehouse park in Hereford, let to Lidl, Poundstretcher, Poundworld and Pets at Home, let off low average rents of £12.00 per sq ft, with an open AI planning consent (including food). The average unexpired lease term was just over nine years and the price of £5.6 million reflected a yield to the Fund of 6.7%.



Hereford

The second purchase was a Morrisons local supermarket on Marlborough High Street. This comprised a convenience retail store in a very strong high street. Morrisons have only recently taken occupation, and it is already one of their top performing stores in the South of England. It was acquired for a price of £2.3 million, reflecting a yield to the Fund of 6.0%.



Marlborough

The final acquisition was an industrial unit in Normanton, let to the Really Useful Product Company for a further seven years. The unit occupies an excellent location on a prime distribution estate where we have already acquired two existing buildings for the Fund. The price of £3.8 million, reflected a yield to the Fund of 7.1%.

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Sales

There have been three sales this quarter; an industrial unit in Plymouth, a retail unit in Derby and an office building in Chester. The three assets were sold for aggregate proceeds of £5.5 million, £250,000 ahead of their combined December 2014 valuations.

The retail unit in Derby was acquired in December 2014 as part of the Beam Portfolio for a price of £1.2 million, which reflected a yield to the Fund of 20%. The business plan was to sell this asset immediately and the property was sold at auction for £1.4 million, a yield of 17%, reflecting a capital increase of 16.5% as well as providing an annualised 20% income return over the four month hold period. The property was substantially over-rented, long leasehold and with a large ground rent payable to the freeholder.

Both Chester and Plymouth were older, smaller assets where we felt we had maximised performance through active management.

Asset Management

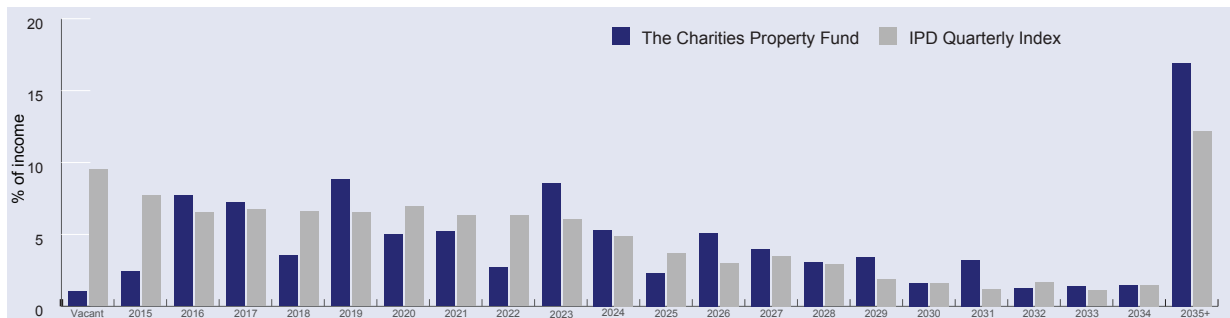
One of the most interesting asset management initiatives was the surrender and re-letting of the City Link unit in Warrington. This unit was acquired in August last year and was let to City Link with 3.25 years remaining at a rent of £310,000 per annum (£4.43 per sq ft). We liked this asset due to its excellent location, low site cover and well specified unit so were unconcerned about the covenant risk. City Link went into administration on Christmas Day and we immediately negotiated a surrender of the lease from the administrator and ran a best bids process with a number of potential occupiers.



Warrington

We have now agreed and completed a new letting to Eddie Stobart Limited at an increased rent of £330,000 per annum (£4.71 per sq ft), incorporating a fixed increase to £350,000 per annum (£5.00 per sq ft) in 2018. The lease term we agreed is 18.25 years. Due to the significantly longer lease, combined with the increased rent and future fixed rental increase, this asset is now valued at almost £1 million (over 20%) more than the August 2014 purchase price.

Lease Expiry Profile (excluding break options)



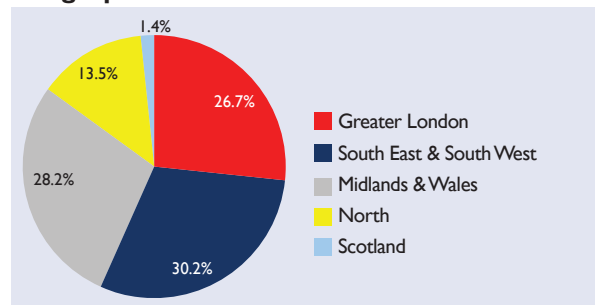
Source: Cordea Savills, March 2015

10 Largest Tenants (by income)

Tesco Stores Limited (surety: Tesco Plc)	6.7%
Sytner Properties Limited (surety: Sytner Group Limited)	3.4%
Sainsbury's Supermarkets Ltd (surety: Sainsbury's Plc)	3.3%
EHS Brann Limited (surety: Havas SA)	3.2%
John Lewis Plc	2.8%
The Secretary of State for Communities and Local Government	2.7%
Wickes Building Supplies Limited (surety: Wickes Holdings Limited)	2.5%
Rybrook Limited (surety: Rybrook Holdings Limited)	2.4%
Travelodge Hotels Limited	2.1%
VW Group UK Limited	2.0%
Total	31.1%

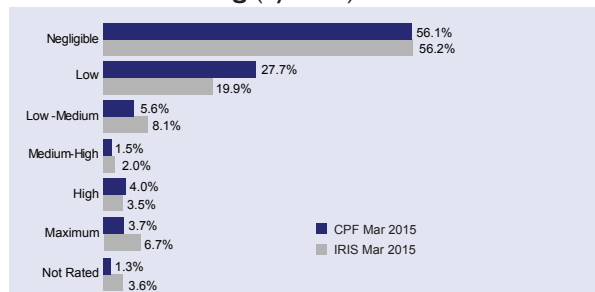
Source: Cordea Savills, March 2015

Geographical Breakdown



Source: Cordea Savills, March 2015

Tenant Risk Rating (by D&B)



Source: Cordea Savills, IPD (March 2015)

*The table above rates the risk of default within the covenants i.e. 56.1% of the Fund's covenants are thought to be at negligible risk of default.

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www.cpfund.org.uk

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Risk Warning

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