

THE CHARITIES PROPERTY FUND FACTSHEET

Fund Objectives

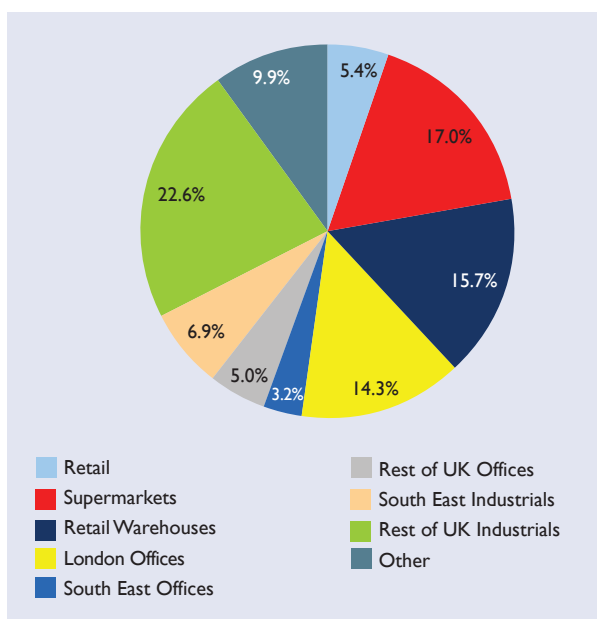
The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (including Scotland and Northern Ireland). It is a Common Investment Fund (CIF) regulated by the Charity Commission.

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 (by geography and by sector)
- 84 properties and 187 tenants
- High yielding (5.3% net forecast as at June 2014)
- Low vacancy rate (1.8% versus IPD at 10.9%)
- No gearing
- Strong covenants compared to IPD (83.1% rated low or negligible risk, compared to IPD at 72.6%)
- Long unexpired lease term of 10.5 years to expiry (9.5 years to break) IPD: 11.8 years to expiry (10.4 years to break)
- 24.4% of the income benefits from fixed rental increases

CPF Portfolio June 2014



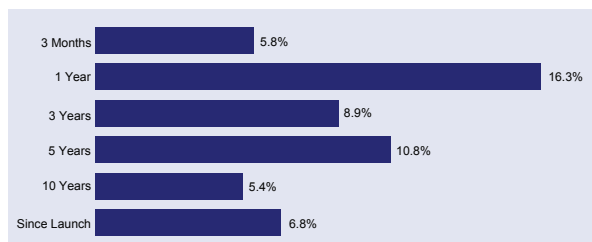
Source: Cordea Savills, June 2014

Fund Information (as at 30 June 2014)

Launch date	September 2000
Fund size	£736 million
No of investors	1,578
Historic distribution yield	5.5%*
Prospective distribution yield	5.3%**
Fund costs (TER)	0.67% per annum
Unit price	Bid - 104.01 pence Offer - 106.81 pence NAV - 105.21 pence
Bid/Offer spread	2.5%***
SEDOL	0208075
Next distribution date	15 August 2014
Last distribution payment	1.365p per unit
Next dealing date	30 September 2014 [#]

* 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 (June 2014)
 Basis: NAV-to-NAV with gross income reinvested
 The Charities Property Fund launched in 2000

The Fund's total return for Q2 2014 was 5.8% compared to 4.3% for the IPD All Balanced Funds Property Index. For the 12 months to June 2014 the Fund has produced a total return of 16.3% compared to 15.1% for the Index.

Applications

£34 million (net) of new applications were accepted this quarter and £37m (gross) of applications were deferred until September 2014.

Uncommitted cash on deposit is £47 million (6.4%) however we now have a further 5 transactions (comprising 11 properties) totalling £68.5 million in solicitors' hands, which will utilise the majority of existing and deferred cash.

Purchases

There have been three purchases this quarter comprising an industrial unit, a London office and a hotel/leisure forward funding. These three properties comprise a total investment of £17m at an average yield of 7.0%. The average unexpired lease term on these assets is just over 18 years.



We acquired a small industrial unit in Ashford, which adjoins one of our existing holdings for a price of £1.3m, reflecting a yield to the Fund of 8.0%.

We have also added to our exposure to Tech City by acquiring a freehold office building on Cowper Street EC2, close to Old Street Roundabout. The price of £4.5million returned a yield to the Fund of 5.75% and a capital value of only £565 per sq ft.

Finally we have agreed to fund a mixed use hotel/leisure development in Poole Harbour. This follows on the back of our very successful forward funding of the Travelodge in Cambridge. We have committed to invest £11.25 million reflecting a yield of 7.3%. The property will be let to Travelodge, Greene King and Costa Coffee and have an average unexpired lease term of 25 years. All leases benefit from guaranteed rental increases in line with RPI. The development will take 12 months to complete.

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Active Management

We have completed three new lettings this quarter and are under offer to complete three further disposals which will reduce the vacancy rate to only 0.5%. This compares to the IPD market average of 10.9%.



Epsom

At Epsom, we have successfully re-let unit 1 within a month of the previous tenant vacating and have increased the rent payable from £8 per sq ft to £12 per sq ft, an increase of 50%.

At Chancery Lane the final 1,500 sq ft suite has been put under offer at £52 per sq ft, again this is almost 30% higher than the first lettings undertaken in the building.

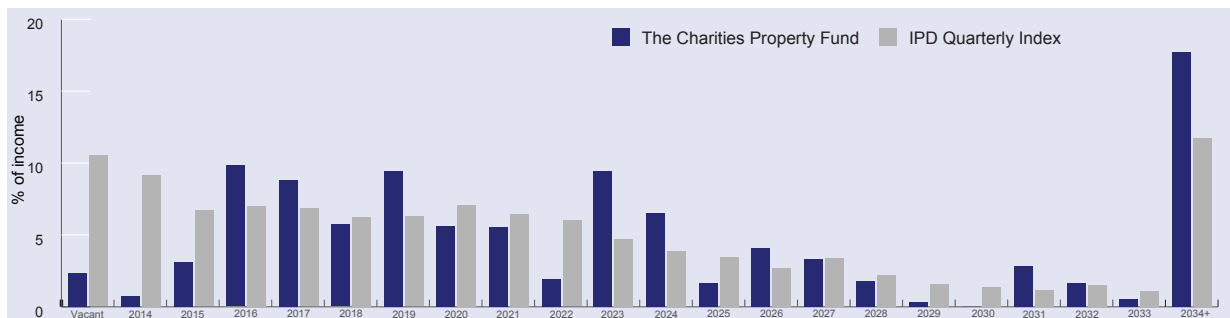
At Basildon we are close to taking a surrender of a short lease from Store 21 (2 years remaining, at a rent of £15 per sq ft) and have simultaneously agreed to re-let the unit to Poundland at a rent of £21 per sq ft on a new 10 year lease. This is 40% higher than the rent previously payable.

In all of these situations we are creating open market evidence to assist with future rent reviews and underpin rental growth.



Basildon

Lease Expiry Profile



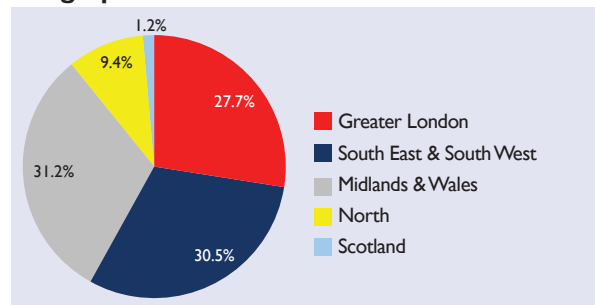
Source: Cordea Savills, June 2014

10 Largest Tenants (by income)

Tesco Stores Limited (surety: Tesco plc)	8.0%
Sainsbury's Supermarkets Ltd (surety: Sainsbury's Plc)	4.0%
EHS Brann Limited (surety: Havas SA)	3.8%
John Lewis PLC	3.3%
The Secretary of State for Communities and Local Government	3.3%
Rybrook Limited (surety: Rybrook Holdings Limited)	3.0%
Travelodge Hotels Limited	2.5%
Wickes Building Supplies Limited (surety: Wickes Holdings Limited)	2.1%
Welcome Break Services (surety: Welcome Break Holdings Ltd)	2.1%
Tata Steel UK Limited (surety: Corus Group Limited)	2.0%
Total	34.1%

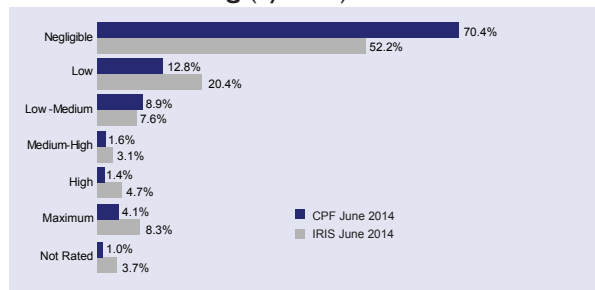
Source: Cordea Savills, June 2014

Geographical Breakdown



Source: Cordea Savills, June 2014

Tenant Risk Rating (by D&B)



Source: Cordea Savills, IPD (June 2014)

*The table above rates the risk of default within the covenants i.e. 70.4% of the Fund's covenants are thought to be at negligible risk of default.

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Further information can be found about the Fund at our dedicated website:
www.cpfund.org.uk

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Risk Warning

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