

THE CHARITIES PROPERTY FUND FACTSHEET

Fund Objectives

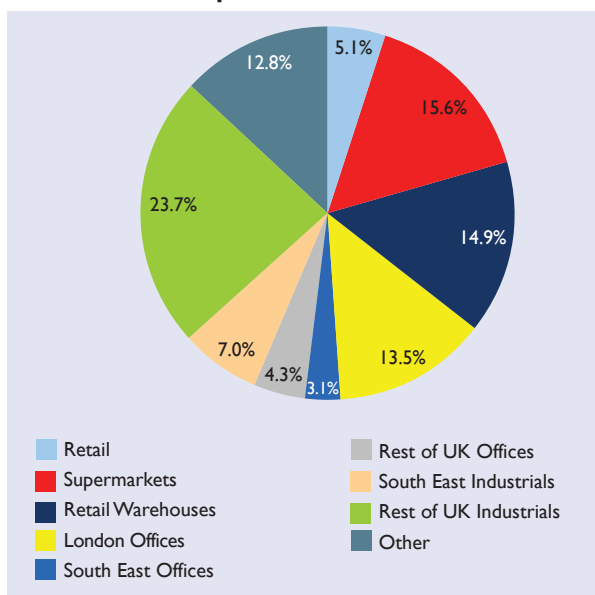
The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (including Scotland and Northern Ireland). It is a Common Investment Fund (CIF) regulated by the Charity Commission.

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
- 90 properties and 193 tenants
- High yielding (5.4% net forecast as at September 2014)
- Low vacancy rate (0.5% versus IPD at 10.5%)
- No gearing
- Strong covenants compared to IPD (83.4% rated low or negligible risk, compared to IPD at 75.2%)
- Allowing for void property, the Fund has a long unexpired average lease term of 11.1 years to expiry (9.25 years to break) IPD: 10.5 years to expiry (9.2 years to break) on the same basis
- 28% of the income benefits from fixed rental increases

CPF Portfolio September 2014



Source: Cordea Savills, September 2014

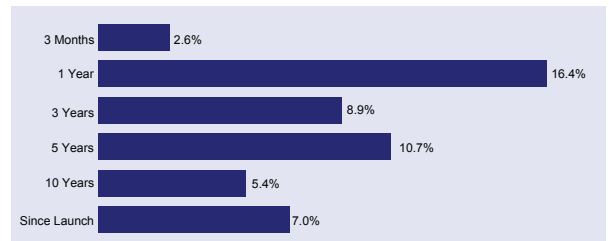
Fund Information (as at 30 September 2014)

Launch date	September 2000
Fund size	£797 million
No of investors	1,626
Historic distribution yield	5.1%*
Prospective distribution yield	5.4%**
Fund costs (TER)	0.60% per annum
Unit price	Bid - 105.39 pence Offer - 108.28 pence NAV - 106.63 pence
Bid/Offer spread	2.5%***
SEDOL	0208075
Next distribution date	15 November 2014
Last distribution payment	1.29p per unit
Next dealing date	31 December 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 (September 2014)
Basis: NAV-to-NAV with gross income reinvested
The Charities Property Fund launched in 2000

The Fund total return for Q3 2014 was 2.6% compared to 4.0% for the IPD All Balanced Funds Property Index. Over the last 12 months, the Fund has produced a total return of 16.4% (16.8% for the Index).

Applications

£14 million (net) of new applications were accepted this quarter along with £37m (gross) of applications that had been deferred from June 2014. Uncommitted cash on deposit is £61 million (7.95%), however we have a further four transactions (comprising 16 properties) totalling £70 million in solicitors' hands, which will utilise all existing cash and facilitate some planned sales.

Purchases

There have been seven purchases this quarter consisting of four industrial units and three car showrooms. The seven properties are very well let to excellent covenants and provide a combined average yield to the Fund of 6.5%. The average unexpired lease term is 26.5 years (11 years to earliest break).



The car showrooms are located in Harrogate, Chigwell and Thames Ditton and offer state of the art facilities, are all let to Sytner Plc and trade as Audi, BMW & Mini and Jaguar Land Rover. We also acquired the Jaguar Land Rover service centre in Thames Ditton (classified as Industrial). They are let with an average of 35 years unexpired with 12 years remaining to the next break option. The combined purchase price of £29 million reflected a yield to the Fund of 6.0%. They all benefit from RPI fixed rental increases.



The remaining three industrial units are located in Tamworth, South Normanton and Warrington and totalled £19 million, providing an average yield to the Fund of 7.2%. The average unexpired lease term is 13.5 years and 9.25 years to earliest break.

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Active Management

We have completed six new lettings, one lease extension and removed one break option over the quarter. This included the final lettings at Chancery Lane and at Dean Farrar Street, and the surrender and new letting to Poundland at Basildon, increasing the rent on this unit by 40%.

At Kettering, we have completed a new 15 year lease to Designer Contracts after the previous tenant vacated in May this year. We are delighted to have secured a letting of the entire unit so quickly, ahead of rental value and on a long lease of 15 years.



Kettering

We have refurbished two retail units at Merthyr Tydfil after securing a change in planning use to include the sale of food and have let them to Iceland and Poundstretcher, both for terms of 10 years. This further improves the tenant line up at the park.

Sales

There was one sale this quarter of an office building in Leicester. The property was vacant and was sold for £2.3 million to an owner occupier which reflected a 15% premium to the June 2014 valuation. In addition, we secured a £250,000 dilapidations cash settlement from the outgoing tenant.



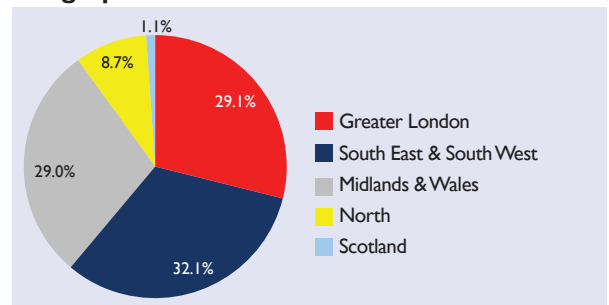
Leicester

10 Largest Tenants (by income)

Tesco Stores Limited (surety: Tesco Plc)	7.4%
Sytner Properties Limited (surety: Sytner Group Limited)	3.8%
Sainsbury's Supermarkets Ltd (surety: Sainsbury's Plc)	3.7%
EHS Brann Limited (surety: Havas SA)	3.5%
John Lewis Plc	3.1%
The Secretary of State for Communities and Local Government	3.0%
Rybrook Limited (surety: Rybrook Holdings Limited)	2.7%
Travelodge Hotels Limited	2.3%
Wickes Building Supplies Limited (surety: Wickes Holdings Limited)	2.0%
Welcome Break Services Limited (surety: Welcome Break Holdings Limited)	1.9%
Total	33.4%

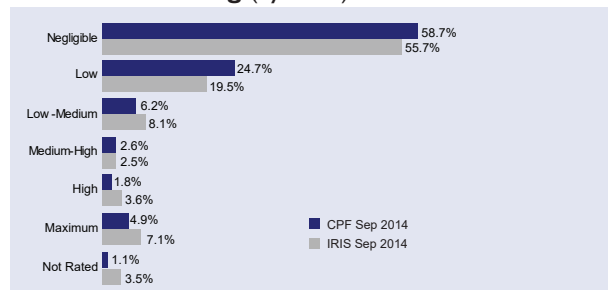
Source: Cordea Savills, September 2014

Geographical Breakdown



Source: Cordea Savills, September 2014

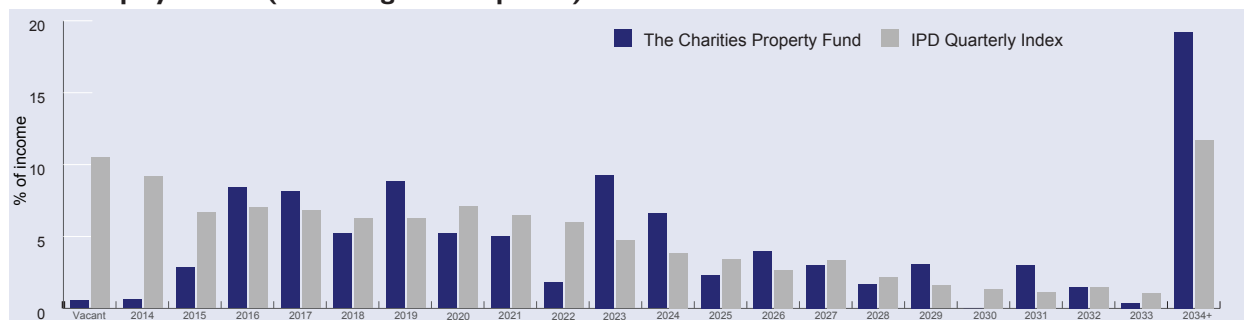
Tenant Risk Rating (by D&B)



Source: Cordea Savills, IPD (September 2014)

*The table above rates the risk of default within the covenants i.e. 58.7% of the Fund's covenants are thought to be at negligible risk of default.

Lease Expiry Profile (excluding break options)



Source: Cordea Savills, September 2014

Risk Warning

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

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