

THE CHARITIES PROPERTY FUND FACTSHEET

Fund Objectives

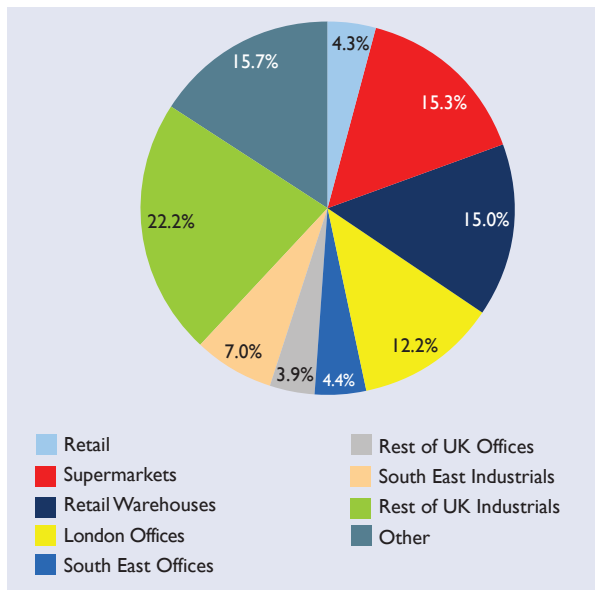
The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (including Scotland and Northern Ireland). It is a Common Investment Fund (CIF) regulated by the Charity Commission.

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
- 106 properties and 229 tenants
- High yielding (5.3% net forecast as at December 2014)
- Low vacancy rate (0.6% versus IPD at 9.5%)
- No gearing
- Strong covenants compared to IPD (84% rated low or negligible risk, compared to IPD at 77%)
- Allowing for void property, the Fund has a long unexpired average lease term of 10.9 years to expiry (9.2 years to break). IPD: 10.7 years to expiry (9.3 years to break) on the same basis
- 27% of the income benefits from fixed rental increases

CPF Portfolio December 2014



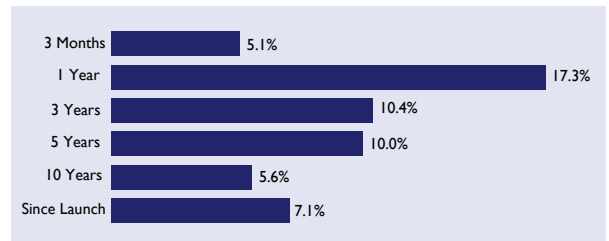
Source: Cordea Savills, December 2014

Fund Information (as at 30 December 2014)

Launch date	September 2000
Fund size	£864 million
No of investors	1,700
Historic distribution yield	5.1%*
Prospective distribution yield	5.3%**
Fund costs (TER)	0.67% per annum
Unit price	Bid - 109.28 pence Offer - 112.08 pence NAV - 110.60 pence
Bid/Offer spread	2.5%***
SEDOL	0208075
Next distribution date	15 February 2015
Last distribution payment	1.47p per unit
Next dealing date	31 March 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 (December 2014)
 Basis: NAV-to-NAV with gross income reinvested
 The Charities Property Fund launched in 2000

The Fund total return for Q4 2014 was 5.1% compared to 4.6% for the IPD All Balanced Funds Property Index. Over the last 12 months the Fund has produced a total return of 17.3% compared to 17.2% for the Index.

Applications

£37 million (net) of new applications were accepted this quarter. Uncommitted cash on deposit is only £28 million (3.2% of the Fund size).

Purchases

There have been 18 purchases this quarter including three portfolios and two individual transactions. The purchases amounted to £75 million providing an average yield to the Fund of 6.8%.

Six acquisitions were made in the Alternatives sector and included three car showrooms, two BP petrol stations with M&S convenience stores and a block of serviced apartments in Manchester city centre. We also acquired a portfolio of 10 assets comprising three retail warehouses, two high street shops, two south east office buildings, two Little Waitrose branches and an industrial unit.



Little Waitrose, West Malling

Another two industrial units in Normanton and Colindale in North West London were also acquired.



Queens Road, Brighton

The average unexpired lease term on the combined acquisitions was 10.7 years and the average time to earliest break was 10.4 years. Generally the covenant status was of very good quality with over 94.2% rated low or negligible risk by Dun & Bradstreet.

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Sales

Two sales were completed in Q4, the most significant being the sale of 10 Dean Farrar Street in London SW1. The building had been fully refurbished and 100% let over the last three years and the price of £26.1m reflected a yield of 4.2% and a capital value of £900 per sq ft. The price achieved was 11% above the September 2014 valuation and 27% above the December 2013 valuation. The asset was fully marketed and we took advantage of the strength of the London market and the publicity generated by the recent sale of New Scotland Yard which lies about 50 yards to the south.



Dean Farrar Street, SW1

We also sold an industrial unit in Redditch which had 3.5 years remaining on the lease. The price achieved of £3m was 7% above the September 2014 valuation and 18% above the December 2013 valuation.



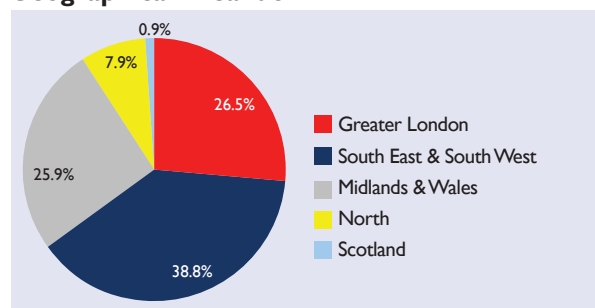
Redditch

10 Largest Tenants (by income)

Tesco Stores Limited (surety: Tesco Plc)	6.9%
Sytner Properties Limited (surety: Sytner Group Limited)	3.5%
Sainsbury's Supermarkets Ltd (surety: Sainsbury's Plc)	3.4%
EHS Brann Limited (surety: Havas SA)	3.3%
John Lewis Plc	2.9%
The Secretary of State for Communities and Local Government	2.8%
Wickes Building Supplies Limited (surety: Wickes Holdings Limited)	2.6%
Rybrook Limited (surety: Rybrook Holdings Limited)	2.5%
Travelodge Hotels Limited	2.2%
VW Group UK Limited	2.0%
Total	32.1%

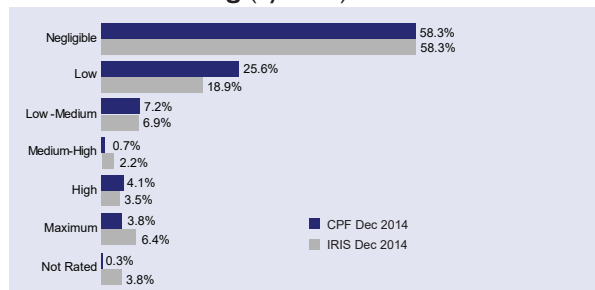
Source: Cordea Savills, December 2014

Geographical Breakdown



Source: Cordea Savills, December 2014

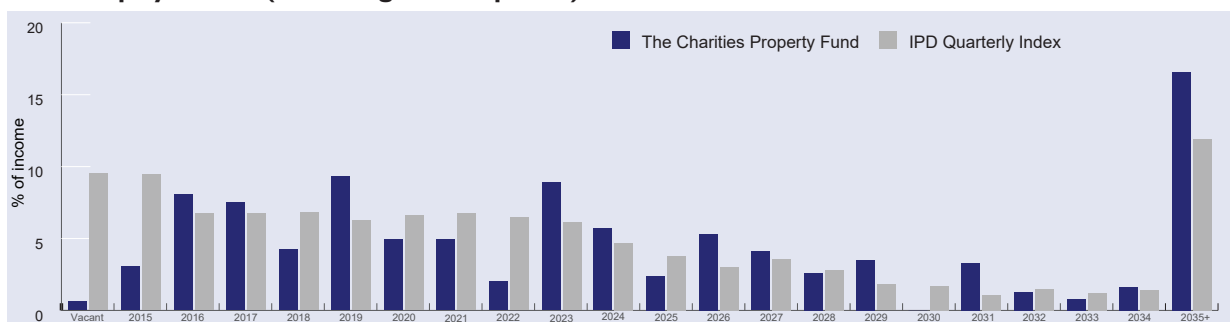
Tenant Risk Rating (by D&B)



Source: Cordea Savills, IPD (December 2014)

The table above rates the risk of default within the covenants i.e. 58.3% of the Fund's covenants are thought to be at negligible risk of default.

Lease Expiry Profile (excluding break options)



Source: Cordea Savills, December 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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