

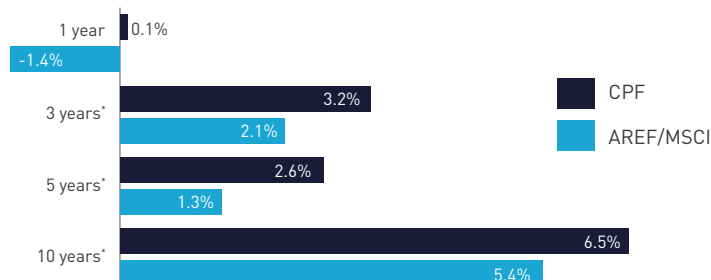
Fund Objectives

The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (AREF/MSCI December 2023). It is a Common Investment Fund regulated by the Charity Commission and helps c.1,500 charities to invest in commercial real estate in an ethical, responsible and tax-efficient way. The Fund has a strong focus on ESG and looks to improve the environmental credentials of the assets it holds and favours socially beneficial occupiers. The Fund's objective is to invest in property throughout the UK to provide a balanced and diversified portfolio to deliver a high and secure level of income and to maintain the capital value of assets held over the long term.

Key Points - 31 December 2023

- Fund size £1.06 billion
- No debt
- Well diversified and balanced portfolio
- 108 properties and 233 tenants
- No high street retail and no shopping centres
- Portfolio weighted to London and the South of England
- High yielding (5.9% gross and 5.0% net of costs)
- Low vacancy rate (3.0% versus MSCI at 11.45%)
- Strong covenants (72% rated low or negligible risk)
- Long average unexpired lease term of 10.6 years to expiry (8.7 years to break)
- 47% of income benefits from fixed or index linked rental increases, two thirds of which are linked to RPI

Fund Performance Annualised



Source: Savills Investment Management, MSCI/AREF Quarterly Property Funds Index, 31 December 2023

Basis: NAV-to-NAV with gross income reinvested

The Charities Property Fund launched in 2000. Total return is net of fees and expenses. Past performance is not an indicator of future performance.

Annual Performance to 31 December

	3 months ended Dec 2023	Year ended Dec 2023	Year ended Dec 2022	Year ended Dec 2021	Year ended Dec 2020	Year ended Dec 2019
Charities Property Fund	-0.8%	0.1%	-4.2%	14.8%	1.3%	2.1%
AREF/MSCI All Balanced Funds Index	-1.2%	-1.4%	-9.5%	19.1%	-1.0%	1.6%

Asset Management – Rent Reviews

We have successfully settled ten rent reviews during the quarter, five were index-linked and five open market adding £550,000 per annum in income. The average increase achieved was 20% above the previous passing rent.

Six of the rent reviews were at industrial units and the average increase achieved was 26.8%, five of these were open market reviews and one was linked to RPI. The remaining four reviews were in the alternatives sector and all were settled at a predetermined 13.1% increase.

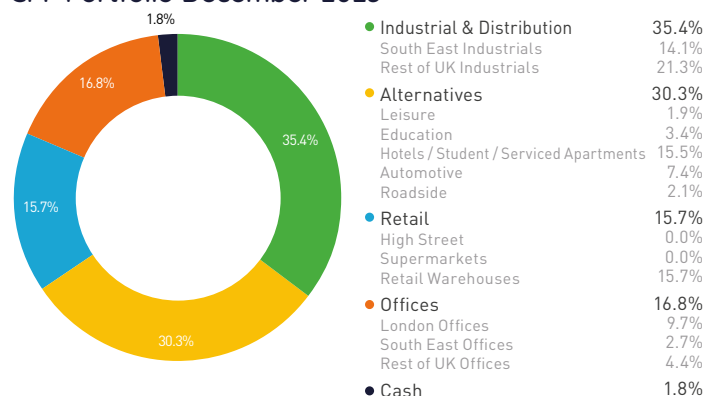


The largest monetary increase was in Belvedere in East London where we increased the rent by £130,000 pa, reflecting a 21.6% increase over the last 5 years. The largest percentage increase was achieved on a unit let to Royal Mail in Manchester where the rent increased 58% from £76,000 pa to £120,500 pa.

Perhaps the most satisfying review was in Basingstoke, where we increased the rent by 15.6% to £522,800 pa, but as part of the negotiations we agreed to extend the lease by a further 11 years, increasing the unexpired term to 19 years.

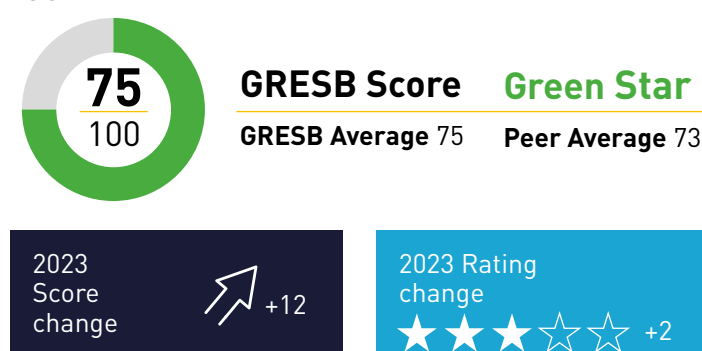


CPF Portfolio December 2023



Source: Savills Investment Management, December 2023

ESG



Source: GRESB (Global Real Estate Sustainability Benchmark)

Fund Information - (As At 31 December 2023)

Launch date	September 2000
Fund size	£1.06 billion
No of investors	c.1,500
Historic distribution yield	4.83%*
Prospective distribution yield	5.00%**
Fund costs (TER)	0.56% per annum
Unit price	NAV - 118.6 pence
	Bid - 116.91 pence
	Offer - 120.71 pence
Bid spread	1.45%
Offer spread	1.55%
SEDOL	0208075
Next distribution date	15 February 2024
Last distribution payment	1.47p per unit
Next dealing date	31 March 2024#

* Based on the last four distributions declared divided by the current NAV

**Based on the next four estimated distributions divided by the current NAV

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.

Sales

We completed three sales during the quarter and these included a car showroom, a retail park and a small supermarket. Collectively they achieved £16.55 million and this reflected a £1 million (+6.4%) premium to their most recent valuation.

The first comprised a Little Waitrose in West Malling in Kent, where we had recently agreed a new 15 year lease with Waitrose at £180,000 per annum. Once this asset management was complete a sale seemed opportune. We fully marketed the property and received six bids and this competitive tension resulted in a second round and we subsequently agreed to sell to the highest bidder at £3.2 million, reflecting a yield of 5.6%, a 6.7% premium to valuation.



Five Largest Tenants

Travelodge Hotels Limited [4]	7.0%
Macmillan Publishers International Limited [1]	3.8%
Leonardo Hotel Management (UK) Limited [1]	3.7%
D'Overbroeck's Limited (surety: Nord Anglia Education Limited) [2]	3.7%
Sytner Properties Limited (surety: Sytner Group Limited) [3]	2.3%
Total (across 11 locations)	20.5%

10 Largest Assets

London EC1 - The Smithson, Farringdon (Office)	5.1%
London SE7 - Greenwich (Retail Warehouse)	4.1%
Oxford - 333 Banbury Road (Alternative)	3.5%
Brighton - Leonardo Hotel (Alternative)	3.4%
London SW11 - Battersea (Alternative)	3.1%
Cambridge - Travelodge (Alternative)	2.6%
Bury St Edmunds - Suffolk Park (Industrial)	2.1%
Epsom - Epsom Trade Park (Industrial)	2.0%
Tamworth - Emperor Point (Industrial)	2.0%
Hayes - Caxton Point (Industrial)	1.7%
Total	29.6%

The second asset was a retail park in Merthyr Tydfil. We acquired this asset in 2002 and it has always been focused at the value end, benefiting from low rents and convenience and discount occupiers such as Home Bargains and Iceland.

Again asset management had largely been completed with four new leases signed in the last 6 months with Home Bargains, Iceland, Pure Gym and Jollye's. All of these were for 10 or 15 years terms, meaning the asset was optimised for sale. Again we achieved competitive tension and sold the asset to one of the occupiers on the park for £9.8 million, reflecting a yield of 7.5% and a 9% premium to its most recent valuation. The third sale was the VW car showroom in Bedford which was sold to a private investor for £3.55 million, reflecting a yield of 6.3%. It sold in line with its most recent valuation.



Risk Warning

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Disclosures

Investment in the Fund is only available to charities within the meaning of section 96 or 100 of the Charities Act 2011. Past performance is not an indicator of future performance. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Properties within the Fund are valued by an external property valuer; any such valuations are a matter of opinion rather than fact. The performance of the Fund may be adversely affected by a downturn in the property market which could impact on the value of the Fund. Any forward-looking statements are based upon our current opinions, expectations and projections. We undertake no obligations to update or revise these. Actual results could differ materially from those anticipated. The Fund is approved by the Charity Commission as a Common Investment Fund under section 24 of the Charities Act 1993 (as amended or replaced from time to time) and is an Unregulated Collective Investment Scheme and an Alternative Investment Fund. Investments and deposits in the Fund and the Fund itself are not covered by the Financial Services Compensation Scheme (FSCS). However, the Manager may pay fair compensation on eligible claims arising from its negligence or error in the management and administration of the Fund. Savills Investment Management (UK) Limited (registered in England No. 03680998 at 33 Margaret Street, London W1G 0JD) is authorised and regulated by the Financial Conduct Authority and is the manager of the The Charities Property Fund (Registered Charity No. 1080290).