Charities Property Fund

THE CHARITIES PROPERTY FUND

Savills Investment Management

ANNUAL REPORT AND ACCOUNTS

June 2025

savills investment management

Charities Property Fund


Cambridge


Bury St Edmunds


London, The Smithson


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Manager and Trustee's Report

Over the past 12 months, the global economy has proved resilient, despite the unpredictable environment and at times extreme volatility. Geopolitically the landscape has grown more fragmented and tense. The US–China strategic rivalry has intensified, particularly around Taiwan and the South China Sea. In the Middle East, Israel launched a major campaign against Iran's nuclear infrastructure, with US support, sparking fears of broader regional conflict and the war in Ukraine remains ever-present despite recent efforts to achieve a negotiated settlement.

After initial bullishness on US equities at the end of 2024, trade protectionism surged, with the US implementing sweeping tariffs that disrupted global supply chains. This protectionism has led to heightened instability and onshoring, which in turn risks shrinking global commerce and competitiveness. It is also likely to lead to inflation remaining higher for longer, prompting central banks to maintain elevated interest rates.

Turning to the UK, the economy has shown signs of cautious recovery amid persistent inflationary pressures and global uncertainty over the last 12 months. GDP grew by approximately 1.2% year-on-year, with momentum slowing in the second half of the period. Inflation eased to 3.4% by June 2025, down from its previous highs, though it remains above the Bank of England's 2% target and jumped up in August to 3.8%. Interest rates have continued to fall with five cuts since August 2024, reducing them to 4.0%. However, whilst unemployment remains low at 4.5%, business and consumer confidence is fragile, impacted by inflationary pressures, tax rises and global trade tensions. There is also an increasing nervousness around another substantial tax raid in the Autumn budget.

The UK commercial property market demonstrated remarkable resilience and adaptability over the last 12 months with total returns for the year coming in at 6.8% (MSCI/AREF All Balanced Open Ended Funds Index, June 2025). This marks a slow upswing in the cycle and the return of capital growth. The outlook remains cautiously optimistic, contingent on continued economic stability.

We believe the outlook for UK real estate is good and it is likely to become an increasingly favoured asset class thanks to its high income component and inflation-hedging qualities, combined with the advantages of diversification.

For many years the asset class became a fixed-income alternative from the bond markets. This was driven by 14 years of ultra-low interest rates and quantitative easing which suppressed yields on Gilts and cash on deposit. The rapid unwinding of central banks' loose monetary policy in 2022 in the face of soaring inflation post-pandemic led to a sharp repricing of property.

While painful for the industry at the time, this rebasing of values has created an attractive entry point that has enhanced the overall appeal, especially in the UK. Of all European countries, the UK has the most liquid real estate market. Differences in valuation treatment and liquidity has enabled a faster correction and recovery in some sectors relative to peers, such as France and Germany. This, along with longer than average leases and the transparency of the UK market means it is a preferred destination for cross-border real estate investment.

There are other powerful fundamentals likely to drive the UK market. Interest rates continue to fall, reducing income returns available elsewhere; property is cyclical and having fallen significantly, the low point in the cycle represents a good entry point. In addition rents continue to grow, partly driven by our sclerotic planning system restricting development through bureaucracy and partly because of the increased costs of development – planning, labour and material costs.

Despite the efforts of the new Government to encourage building (particularly of houses) and the pro-development planning and infrastructure bill making its way through Parliament, building in the UK has fallen at the fastest pace since the early days of the Covid-19 pandemic, raising doubts over the pledge to deliver 1.5m new homes. Concrete sales have fallen by a third in 10 years and more than halved over the last two decades. Sales of other building materials, such as mortar and sand, have also slumped, with demand for most products at historical lows.

The current difficulties obtaining planning permission, combined with rising construction costs and the high cost of debt are likely to restrict the development pipeline. Considering the low vacancy rates in many sectors this could provide an additional tail wind to both rental and capital growth. Combined with the high income component, growing rents and inflation insulation – all point to a positive outlook.

"The Fund posted a total return of 7.5% over the last 12 months, ahead of the Index by 0.7%"

The Fund

The Charities Property Fund will shortly celebrate its 25th anniversary and we are pleased to report it recorded a positive total return of 7.5% over the last 12 months, outperforming the MSCI/AREF All Balanced Open Ended Funds Index by 0.7%. It is encouraging that we have once again exceeded the Index and the Fund has not only outperformed over one year, but over three years, five years, 10 years, 20 years and since launch 25 years ago. It has also outperformed for 17 out of the last 18 individual years. The dividend of 5.74 pence per unit matched that for the previous year, which was a good result as that represented a high having grown strongly four years in a row.

Lease length

The average lease length is long at 10.0 years and this is forecast to increase to 12.0 years with lease extensions currently in solicitors' hands. The percentage of leases benefitting from index-linked (mainly to RPI and CPI) rental increases is high at 52%, guaranteeing future income growth. These reviews have registered strong uplifts at rent reviews and are likely to continue to do so, partly because the five yearly rent review pattern will continue to deliver even if growth slows.

Vacancy rate

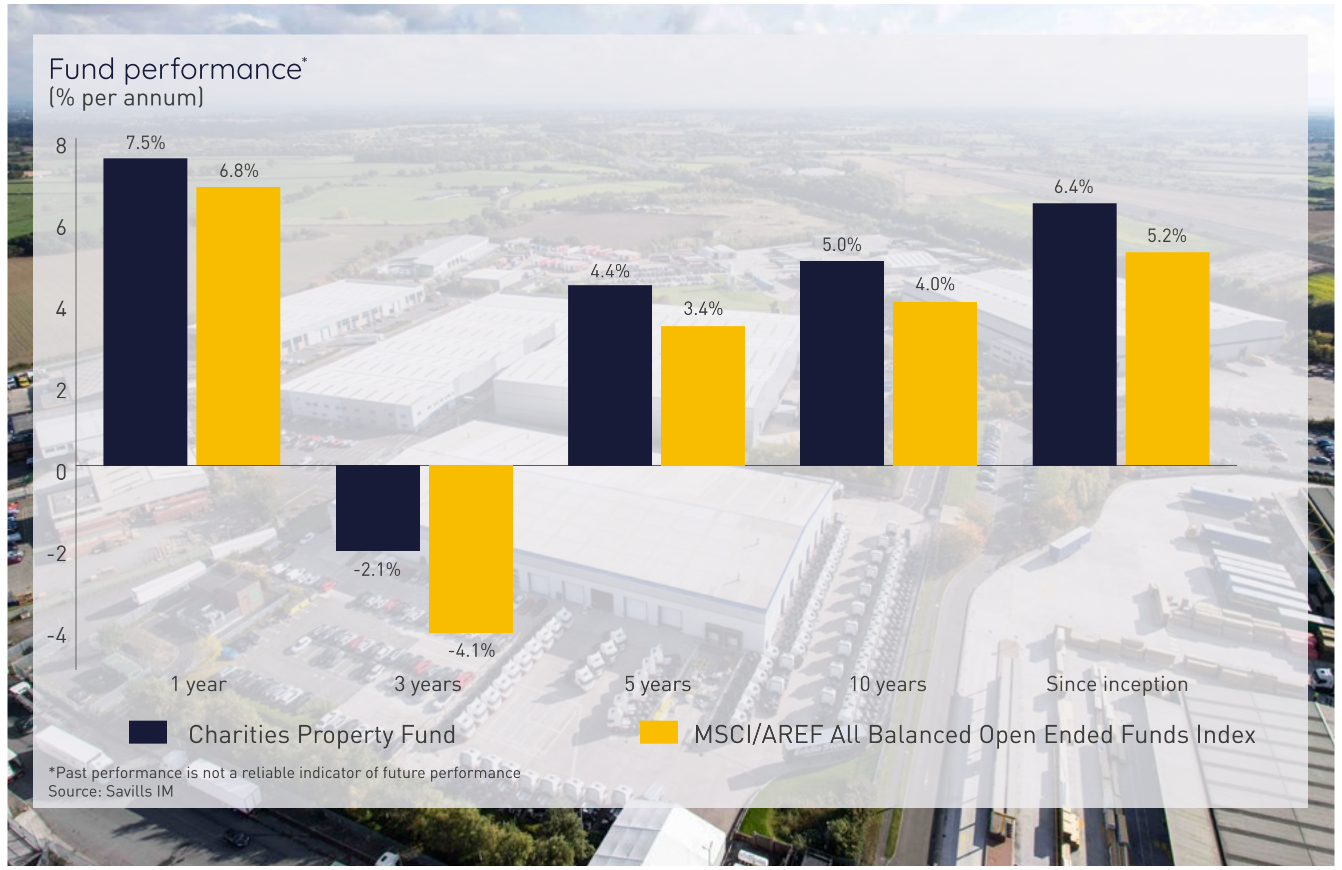
The vacancy rate within the portfolio stands at only 4.4% compared to the market average of 12.0%. This is forecast to fall to 2.7% once agreed deals currently in solicitor's hands complete.

Sales

Whilst sentiment has substantially improved, real estate funds have continued to register elevated levels of redemptions as investors have increased cash holdings and shunned illiquid assets. We are not often impacted by these events because we trade quarterly, which is better suited to property funds than daily trading. However, whilst we have continued to trade every quarter, we have also had to make the difficult decision to defer some redemptions in each of the last four dealing quarters.

To settle these redemptions the Fund has sold thirteen properties over the last 12 months, raising £82 million, at a +4.8% premium to their valuations. It is reassuring that we are able to achieve prices on average in excess of their independent valuations. It is also worth noting that these are non-core assets; we are retaining those with longer term income certainty and capital appreciation potential.

Manager and Trustee's Report Continued



Summary

We continue to favour the industrial/logistics, alternatives and retail warehousing sectors, which account for over 80% of our holdings. We have no exposure to the high street or shopping centres and the office weighting remains low at 16.8%.

The Fund's lower risk characteristics are exemplified by our focus on quality of buildings and locations, long leases, a very low vacancy rate and an occupier base that is more national than global. These characteristics stand the Fund in good stead and provide insulation from global volatility and this is why relative performance continues to be strong. This is ably demonstrated by six lease extensions currently being documented - these occupiers are confident about their businesses, are investing in their real estate and signing very long leases at increased rents.

Once signed the average lease length on these assets will increase from 2 years to 21.9 years (21.2 years including the only break option) and it will extend the total portfolio average lease term by almost 20%. The passing rents will also increase by an average of 21%.

We believe the Fund is well positioned. Rental and capital growth are predicted and the characteristics of the Fund provide insulation should the wider economic piece disappoint. Importantly we have no debt and therefore no refinancing risk or covenants to breach. We believe the growth and the low vacancy rate are indicative of the quality of the portfolio and the strength of the occupational markets - combined with a lack of supply of quality real estate in many of the sectors where we are invested.

Harry de Ferry Foster MRICS
Fund Director
Savills Investment Management

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Highly Resilient Portfolio

as at 24 June 2025

91 properties

10.0 weighted average unexpired lease term

52% of annual rent benefits from fixed or index linked rental increases

4.4% vacancy rate

c.1,300 investors

Portfolio is weighted to London and the South East of England

No debt*

* There is a fixed revolving credit facility which remains undrawn

Charities Property Fund

Chairman of the Advisory Committee

The Charities Property Fund reported a total return of +7.5% over the 12 months to June 2025 compared to the AREF/MSCI All Balanced Open Ended Property Funds Index average of +6.8%.

Commercial real estate markets started their recovery in June 2024 having suffered two years of falling values and reduced investor demand - a trend which started in 2022 following the swift rises in interest rates. We now have seen four consecutive quarters of rising valuations and a robust occupational market which has enabled the Fund to exceed its objectives for the financial year.

The dividend remains key for many investors in the Fund and it is encouraging to see it remains reliable, delivering 5.4% gross and 4.7% (net of fees and costs) over the year. It has grown 16.2% since June 2020.

It is positive to see that the Fund has once again performed relatively well. It outperformed the Index and has done so for 17 out of the last 18 financial years. The portfolio has been defensively positioned, with a focus on supply-constrained towns and cities. It has no debt, long leases and a high percentage of index-linked rents. The portfolio is well balanced and diversified. There is a high exposure to industrial/logistics and alternatives (two thirds of the portfolio). In addition, exposure to offices – the weakest sector currently – is some 18% below the market average.

We continue to be reassured by the transparency and capability of the management team. Savills Investment Management and the Charities Property Fund team have navigated the recent trials brought about by the pandemic, political uncertainty, inflation and interest rates well. We continue to face challenges in the wider economy, so they will not be able to rest on their laurels.

They are supported by the Advisory Committee which provides a sounding board to the investment manager and the comfort of an additional check and balance for investors, on top of Savills Investment Management's own internal processes and procedures.

Whilst the Committee is advisory, we have a close working relationship with the management team and review the portfolio and their performance every quarter. We are also invited to comment and advise on all purchases and sales in advance. The Committee remains mindful of the fact that all our investors are registered charities with charitable objectives and responsibilities. We work closely with Savills Investment Management to ensure the Fund's clear ethical policies are observed, and likewise that the Fund invests and manages in accordance with socially responsible investment (SRI) principles, more detail on which can be found later in this report.

I would also like to take this opportunity to confirm my retirement as Chairman of the Advisory Committee. I took over the role in December 2013 and whilst members of the committee are not meant to serve beyond 9 years, the Covid period did disrupt our succession planning significantly and the process that we had commenced in 2020 was put on hold until the end of the pandemic. This wasn't just the mechanics of searches and interviews, but due to the focus on more urgent matters - running the portfolio, communicating effectively with tenants and collecting rent. I will be ably succeeded by John Wythe who joined the committee in March 2022. John has a wealth of real estate experience, spending his entire executive career at M&G Real Estate retiring as Head of Fund Management in 2010. He went on to be a Church Commissioner and served on the Board of Governors and Chairman of the Property Group. He is now Chairman of the Portman Estate and a Director of the Pollen Estate and Norges Bank Real Estate Management Europe. He also sits on the Investment Committee at DTZIM.

"Reliable dividends remain a strength, delivering 5.4% gross and 4.7% net over the year"

Chairman of the Advisory Committee

I would also like to take this opportunity to welcome Howard Meaney and Keith Wade to the Advisory Committee who have joined during the year and to thank Andrew Chapman for his stalwart service to the Fund as he retired from the Committee during the year.

The Committee benefits from the considerable knowledge and experience of its members listed below:

John Wythe
Currently serves on Boards and Committees for Norges Bank, DTZIM, The Portman Estate and The Pollen Estate.

Birgitta Bostrom
Advisory Board Member, M&G Equities Investment Fund for Charities (Charifund), M&G Charibond Charities Fixed Interest Fund (Charibond) and M&G Charity Multi Asset Fund.

Alan Fletcher
Chairman of the Leicester Diocesan Board of Finance Assets and Liabilities Committee, and Resources and Compliance Committee member. Leicester Cathedral Finance Committee member.

Chris Hills
Chief Investment Consul, Rathbones.

Rory Landman
Former Senior Bursar, Trinity College, Cambridge, Member of Cambridge University Finance Committee, Trustee of the Ernest Cook Trust.

Howard Meaney
Former Head of Real Estate UK at UBS, Portfolio Manager of the Triton Property Fund, a member of the UBS UK Asset Management Board, the European Real Estate Management Committee and the European Real Estate Investment and Lending Committees.

Dr Brenna O'Roarty
Board Member Tuath Housing Association, Advisory Committee DWS Diamond Eurozone Retail Property Fund. Independent research and strategy consultant.

Keith Wade
Keith was previously chief economist at Schroders where he was responsible for the house view of the world economy and was a member of the group asset allocation committee. He is an advisor to a private wealth manager and a trustee at the National Institute for Economic and Social Research (NIESR) where he is a member of Council and chair of the Investment Committee.

We will endeavour to assist the continued success and strong governance of the Charities Property Fund.

Malcolm Naish

Malcolm Naish MBE
Chairman of the Charities Property Fund Advisory Committee

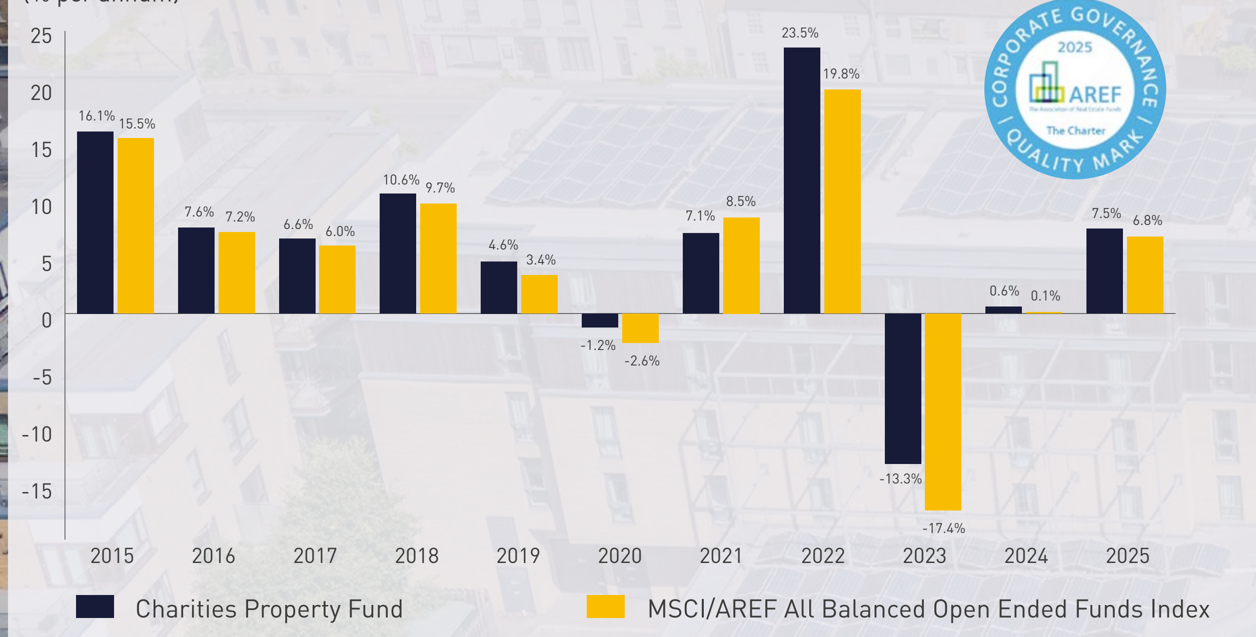
Fund Performance

The total return for the Fund during the 12 months to 24 June 2025 was 7.5% against the MSCI/AREF All Balanced Open Ended Property Funds Index which produced 6.8%.

Over 10 years the Fund has delivered 5.0% per annum on average, compared to the Index of 4.0% per annum. Of this, 4.5% per annum net of all fees and costs on average has been returned to investors as income.

Whilst the income component of total returns has been relatively stable, capital returns exhibit more volatility. Therefore real estate is best invested into with a medium to long term time horizon as returns in individual years can fall short of or significantly exceed our objectives.

Fund level performance - Total return (net of all fees and charges) as at 24 June 2025
(% per annum)



Source: Savills Investment Management/MSCI/AREF All Balanced Open Ended Funds Index

* Past performance is not a reliable indicator of future performance

NO stamp duty land tax payable

NO derivative products

NO performance fees

NO investments in other property funds

NO debt*

NO withholding tax

* There is a fixed revolving credit facility which remains undrawn

Cambridge

Objectives

The Charities Property Fund aims to provide a high and secure level of income, with the prospect of growth in income, and to maintain the capital value of the assets held in the Fund, through investing in a diversified UK commercial property portfolio. To meet this objective, Savills Investment Management (UK) Limited (the "Manager") targets a total return of 7% per annum over the long term, of which we look to deliver the majority through income. However, this is an aspiration and a guideline, not a guarantee, and the level of income and total return may fluctuate. The Fund has a very strong focus on ESG and Responsible Investment, a stated ethical policy and adopts both positive and negative tenant screening when assessing investments and new occupiers.

The Fund currently invests in the principal commercial property sectors: retail (retail warehouses), industrial (manufacturing and distribution), alternatives (hotels, student accommodation, serviced apartments, car showrooms, educational, medical, roadside and leisure) and offices (both London and regional). Whilst we will undertake refurbishment projects and forward fundings of pre-let investments, the Fund does not undertake speculative developments.

The Fund's operating costs (the Total Expense Ratio) are paid from the income account. This reduces the quarterly distribution payable.

A number of other property funds either charge some or all of operating costs (such as management fees) to capital thereby increasing their distribution. Investors should be aware of this when making comparisons. The costs charged to capital by the Fund relate to investment in properties, acquisition, disposal or refurbishment costs.

Examples of CPF Investors:

LifeArc

LSE The London School of Economics and Political Science

The Health Foundation

JRF Joseph Rowntree Foundation

The Church of England Pensions Board

"To provide a high and secure level of income with the prospect of growth in income"

Strategy

The strategy for the Charities Property Fund remains unchanged. We set out at inception to construct a high quality portfolio, diversified by sector and geography and this remains true today.

The Fund is a 'Balanced Fund' and therefore invests across different property sectors to avoid falling prey to the changing fortunes of any individual sector.

The focus is on prime locations and by this we mean supply constrained towns with good tenant demand. We target buildings that are adaptable, offering protection from obsolescence and multiple alternative uses wherever possible. We seek to hold assets for the long term, but maintain a long tail of smaller assets to meet liquidity needs should investors seek to divest.

We aim to provide an above average income return compared to the market, through keeping vacancy and associated costs (such as empty rates, service charges, repairs and insurance) to a minimum and by generating income growth through rental increases, refurbishments, active asset management and new lettings. The vacancy rate is currently 4.4% compared to the industry favoured MSCI quarterly index average of 12.0%.

We favour maintaining a longer than average lease length, having one of the highest in the index, providing security of income and allowing us to ride out short term economic uncertainty. The Fund also targets a high percentage of index-linked rent reviews, currently comprising 52% of all income, guaranteeing income growth particularly during times of high inflation. We are confident that over the long term a focus on predictable, progressive income growth will continue to outperform the market.

Underlying all of this are our tenant relationships which are paramount. We maintain a strong dialogue and good relationships with our occupiers, and a focus on above average covenant quality.

ESG, net zero and social purpose are major considerations for us. The Fund is a Common Investment Fund and a charity and we continue to operate ethically and champion environmental improvement.

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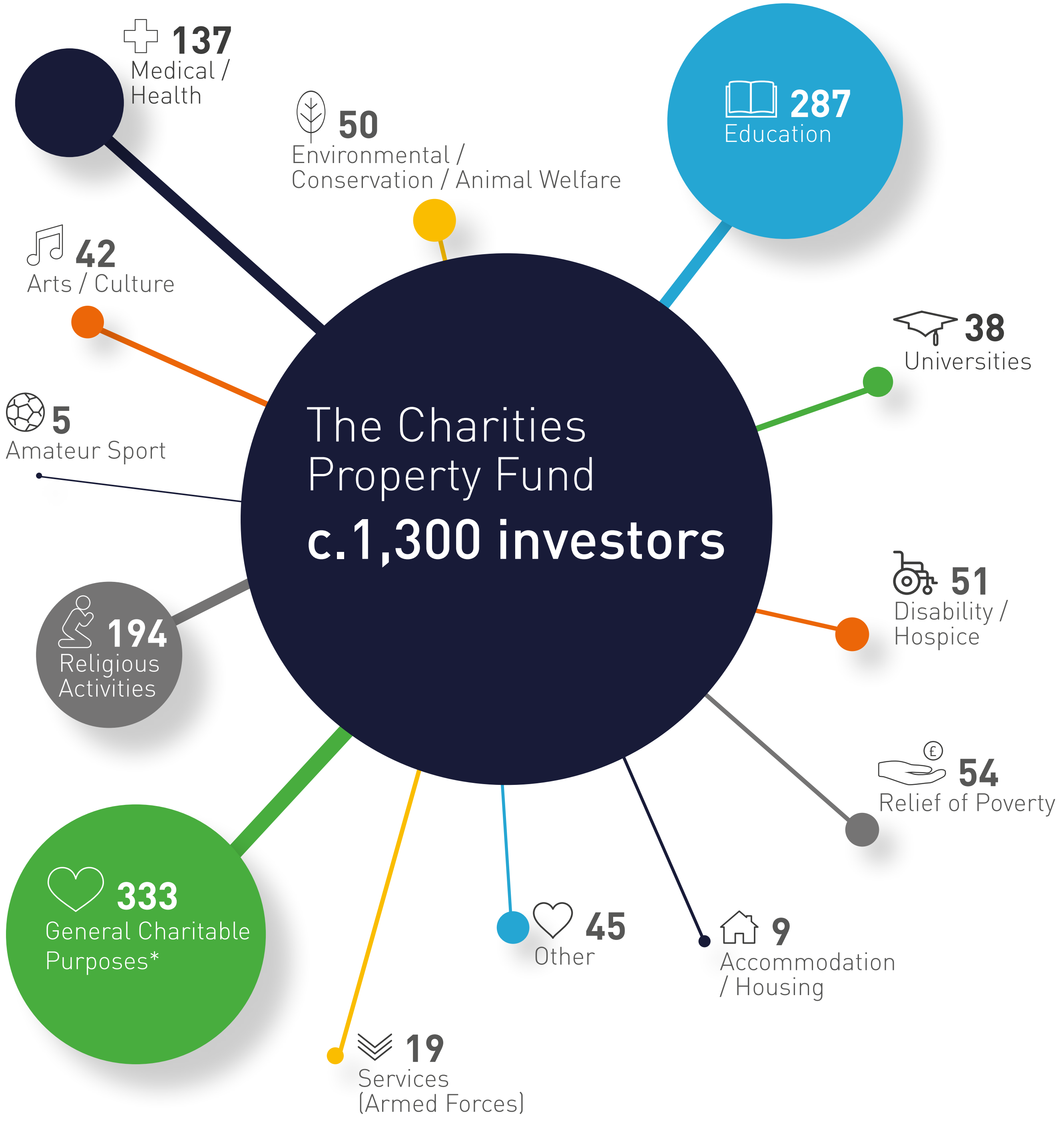
Investor Categorisation

as at 24 June 2025



Source: Savills Investment Management (June 2025). Investor categorisation by number of charities.

* This category includes charities with multiple sector beneficiaries or charities who offer a range of services to a set geographical area.

Distribution

Source: CPF

Harrogate

Charities Property Fund

Our Awards

2013 — The Association of Real Estate Funds Annual Awards 2013 WINNER Reporting Transparency

2014 — charitytimes Awards 2014 Recognising leadership and professionalism Shortlisted

2015 — charitytimes Awards 2015 Recognising leadership and professionalism Shortlisted

2016 — Europe Property Awards WINNER 2016

2017 — Europe Property Investor Awards WINNER 2017

2017 — charitytimes Awards 2017 Recognising leadership and professionalism Shortlisted

2023 — Property Week Property Awards 2023 Property Fund Manager of the Year

2023 — AREF The Association of Real Estate Funds Annual Awards 2023 SHORTLISTED Outstanding Fund Achievement Charities Property Fund

2024 — charitytimes Awards 2024 Recognising leadership and professionalism Winner

2024 — AREF The Association of Real Estate Funds Annual Awards 2025 WINNER Outstanding Fund Achievement The Charities Property Fund

2025 — Corporate Governance Quality Mark 2025 AREF The Association of Real Estate Funds The Charter

2025 — charitytimes Awards 2025 Recognising leadership and professionalism Winner

2025 Awards

AREF Outstanding Fund Achievement Award Winner

We are delighted to announce that The Charities Property Fund won the AREF 2025 Outstanding Fund Achievement Award.

AREF The Association of Real Estate Funds Annual Awards 2025 WINNER Outstanding Fund Achievement The Charities Property Fund

> This award recognises excellence within AREF funds, measured against the 10 Guiding Principles of the AREF Charter. The Charities Property Fund stood out for its commitment to sustainability, industry engagement and delivering long-term value for investors.
>
> The judges agreed that Savills IM submitted an outstanding response, showcasing a practical and integrated approach to achieving net-zero carbon. They also addressed broader ESG considerations, such as resilience to physical and transitional risks and the impact on nature. The Fund emphasised its commitment to transparent reporting and is actively engaging with the industry to share best practices.
>
> **AREF 2025**

Charity Times Boutique Investment Management Award Winner

For the second year in a row, the Charities Property Fund was the winner of the Charity Times Boutique Investment Management Award. The award recognises excellence in the professional services offered to the charity sector, showing evidence of real quantifiable investment returns, especially within the last 12 months, but also within a wider timeframe context.

charitytimes Awards 2025 Recognising leadership and professionalism Winner

CPF prioritises ethical considerations, ensuring that investments align with the Fund's and investors' values. CPF has outperformed the MSCI/AREF Open Ended Property Funds Index for 17 of the last 18 individual years. The impressive returns have been achieved despite having a lower risk profile as evidenced through much longer leases and a lower vacancy rate than its peers. CPF also proves that investing ethically does not compromise performance. On a risk adjusted basis over the past five, seven, ten and fifteen year time periods, the Fund has outperformed the other principal specialist charity property funds.

CPF was able to demonstrate a real understanding of the investment needs of charities, with which we work.

Case Study - Maidenhead: Lifecycle of the asset

The Fund acquired One Bell Street, Maidenhead at the end of 2012 for £6.725 million when it was let to two tenants; Ektron and Regus. The strength of this property was always its location, just 150 metres from Maidenhead Train Station (Elizabeth Line).

At the end of 2022, the Fund gained full vacant possession of the property and committed to carry out a full net zero carbon enabled refurbishment, which incorporated extensive works to M&E, installation of air source heat pumps, photovoltaic panels, electric vehicle charging points and a green roof. This refurbishment resulted in achieving a BREEAM Excellent certification, an EPC rating of A and SKA Gold designation.

Following completion of the refurbishment, the office was let to the copper division of Glencore Plc on a new 10 year lease at a rent of £886,210 per annum (£45 per sq ft), with annual breaks from year 4. Having successfully completed the refurbishment and subsequent reletting, the asset was openly marketed during the summer of 2024 and a sale was agreed to a local authority pension fund at £9.25 million, reflecting a net initial yield of 9% and a 10% premium to valuation. This completed in December. The Fund also received £5.2m in income over the period of its ownership.

Refurbishment targeting operational net zero

Results:

- BREEAM Excellent Rating
- EPC A rating
- SKA Gold Rating
- Air source heat pumps replaced gas boilers - 9% targeted energy savings*
- Hybrid VRF, heat recovery, improved efficiencies and setpoints - 13% targeted energy savings* and reduced CO2 depleting gases within installation
- LED lighting, DALI daylight controls and small power reduction
- 43% targeted energy savings*
- 8 EV charging points
- 20 cycle racks
- Sedum roof with pollinators
- Bat boxes, Bird boxes, Bee Hotel installation
- Water saving fittings and leak detection for water conservation
- Enhanced metering and BMS controls
- 20kW PV installation - 13% targeted energy savings*
- 88kWh/m2/yr targeted energy savings*
- 60% targeted energy savings over baseline*
- 98% of non-hazardous waste recycled**
- Donation of carpet tiles
- Reuse of materials including ceramic floor & wall tiles, plasterboard, wall mirror units and doors.
- 6 apprentices on site during project, 4 work experience, 1 undertaking an NVQ, 1 Foundation Programme
- The project's operational energy aligns with UKGBC's Energy 2030 target, maintaining it at 53.9kWh/m2/year, which is below the threshold of 55 kWh/m2/year. Additionally, to support the net-zero commitment of this project, the team has showcased exemplary upfront embodied carbon (A1-A5) of 166 kgCO2e/m2, well under the LETI 2030 target of 350kgCO2e/m2 for new builds and major renovation.

*Targeted energy savings against the modelled performance of the building before the refurbishment works
** Interim figures

Case Study - Basingstoke: Asset Management

Basingstoke is an excellent asset management case study, demonstrating tenant engagement and ESG improvements which were financially accretive, resulting in a lease extension and enhanced rents at review.

These two units were acquired in 2018, and in 2023 we settled a rent review on Unit 1 (on the right of the picture below) increasing the rent from £320,000 pa to £440,000 pa, an uplift of +37%.

We then negotiated and signed a 15 year lease on Unit 1, pushing out the current expiry from July 2027 to July 2042, providing us with 17 years term certain. We also negotiated future rent reviews to be to the higher of Open Market Value or CPI (compounded) giving us the best of both worlds.

"In 2023 we settled a rent review on Unit 1 increasing the rent from £320,000 pa to £440,000 pa; an uplift of +37%"

And as part of the agreement, we helped the tenant improve the environmental credentials and energy efficiency of the building. We contributed £230,000 towards the cost of the PV installation which you can see in the photograph. Another aspect to the ESG enhancements was the installation of a 6,000 litre hydrotreated vegetable oil (HVO) tank to assist the tenant with reducing their carbon footprint by switching from a diesel fleet of vans to HVO fuel. It is anticipated that this will reduce the tenant's fleet vehicle emissions by 90%.

Unit 2 is a data centre, where we are in advanced discussions with Vodafone, who occupy the unit, for a new 15 year lease with no rent free at a +34% increase on the rent previously payable. This will again involve PV panels to power the datacentres – which are notoriously energy-hungry. What is most interesting is that improving buildings doesn't have to come at a cost to the fund, quite the contrary.

Governance and Responsible Investment

London, EC1

Our Sustainability Approach

Our ESG Focus Areas

Savills Investment Management is committed to becoming a restorative business, meaning we seek to restore social and ecological systems to a healthy state.

Achieving net zero carbon (NZC) emissions for both our corporate business and the assets that we manage is our first priority in this journey. But Savills Investment Management intends to go beyond net zero.

By 2050 we want to be a climate positive business that has helped restore nature and biodiversity, and strengthened communities. The Savills Investment Management team has already started this journey.

We recognise that a transition to a restorative economy goes beyond carbon emissions. At Savills Investment Management our interventions align to three focus areas:

We are committed to ensuring that material RI (Responsible Investment) issues are assessed against each focus area when acquiring new assets and at each appropriate stage in the investment lifecycle.

In doing this, we will ensure appropriate focus is given to each of our priority areas whilst indirectly seeking to contribute to the UN Sustainable Development Goals ("SDGs").

To enable Savills Investment Management to deliver the highest positive impacts through our RI processes, whilst reducing negative impacts from our business operations to the highest extent possible, we have categorised our impact as contributing to the six priority SDG goals (7, 8, 11, 12, 13 and 15) and aligned with three others (3, 4 and 5).

Charities Property Fund

Our Sustainability Approach Continued

Asset Acquisition and Asset Management

Savills Investment Management periodically reviews how ESG is embedded into its Due Diligence (DD) process. CPF utilises Savills Investment Management's Technical & Environmental Due Diligence guidance documentation, further embedding considerations on topics such as climate risk, energy sources, energy intensity and embodied carbon into the DD process.

All purchases are reviewed and presented to the Investment Committee (IC). The IC paper template contains guidance on ESG considerations to be made in stock selection, and acquisition due diligence, such as environmental and social risks and opportunities, regulatory compliance, green building accreditation or value-add innovation.

We identify opportunities for, and the risks of not implementing sustainable practices. Opportunities may include tenant engagement to help meet sustainability targets, the installation of green technology and infrastructure within an asset or participating in benchmark surveys and reporting at both a fund and corporate level. We evaluate and manage the impact that sustainability has on investment performance; for example, this may include depreciation costs due to additional capital expenditure or the ability to let or sell a property. We seek to manage these elements in a manner appropriate to the Fund's risk and return profile.

For all investment management mandates, Savills Investment Management aims to meet and, where possible, exceed the minimum requirements of any relevant planning, construction or environmental legislation.

Property Development, Refurbishment or fit-out

Integrating sustainability and ESG considerations into the earliest stages of design and construction of asset development, refurbishment or fit-out creates an opportunity to add tangible value to asset value, future-proof against obsolescence, improve occupier appeal and results in improved building performance. A sustainable fit-out guide has been made available to all tenants, which contains mandatory requirements and best practice guidance for conducting refurbishments and developments.

Property Management

Where we manage the assets in our investment portfolios, we select managing agents who have a strong track record in sustainability and responsible property management, and expect that they adhere to our Responsible Investment strategy and incorporate ESG into all aspects of their day-to-day management. The Fund's managing agent is a member of the Better Buildings Partnership's Managing Agents Partnership (BPP MAP) ensuring that they are at the forefront and have input into improving sustainable management of commercial real estate.

Our focus on integrating sustainability and ESG into property management practices means we can continue to add value, improve and enhance assets in our ownership, reduce operational costs and foster tenant satisfaction and occupier appeal. This includes an analysis of the portfolio's pedestrian accessibility using the WalkScore database and a desktop study assessing the liveability of the locations where the Fund has assets using the Indices of Multiple Deprivation from the Ministry of Housing, Communities and Local Government.

Resource Efficiency

We have implemented an Environmental Management System (EMS) based on the principles of ISO14001; the international standard for establishing an EMS. This framework adopts a concept of 'continual improvement' which is enacted through a 'Plan, Do, Check, Act' approach. This requires goals and objectives to be developed for identified material environmental impacts ('Plan'), actions to be implemented to manage impacts ('Do'), progress against objectives to be monitored and evaluated ('Check'), and a review to be undertaken to continually improve performance ('Act').

To improve resource efficiency we apply this approach through our programme of technical sustainability audits at our assets which identify improvement opportunities with respect to energy and water consumption, waste generation and the health and well-being of our tenants.

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Our Sustainability Approach Continued

Stakeholder Engagement

The Fund is actively engaging with tenants across the portfolio through face-to-face meetings, newsletters and tenant surveys. Our property and facilities management teams are continually aiming to support and educate occupiers over possible improvements they can make. We have engaged with tenants on food waste to encourage partnerships with local food banks and have provided tenants with a sustainable occupier guide.

Asset Disposal

When a property is being positioned for sale, sustainability measures and programmes can be used to further enhance the property's status and maximise its value. For example, information on an asset's performance in comparison to its required decarbonisation trajectory is becoming an increasingly popular request. Such features help provide valuable criteria that differentiate the property from other offerings in the market and serve as an indicator of overall quality. Being able to bring high-performing assets to market will result in a greater choice of prospective buyers, and potentially lead to a more profitable and efficient exit.

Responsible Corporate Governance

We believe it is important to be a responsible business and observe fundamental standards of good management and conduct. CPF is committed to transparent monitoring and disclosure of ESG targets, as well as measurement of asset performance through reporting and participating in the GRESB survey and bi-annual UNPRI reporting requirements.

Objectives and Targets

Our Net Zero Commitment

The Charities Property Fund aligns with Savills Investment Management's net zero carbon pathway, and we will be reporting against our first interim target in 2026.

2025	2030	2040	2050
By 2025, 25% reduction in emissions intensity compared to 2019 baseline.	By 2030, we will target 50% reduction in emissions and energy intensity for AuM held for more than two years (based on 2019 baseline). By 2030, for corporate emissions we will target net zero operational carbon emissions.	By 2040, we will target net zero emissions based on 2019 baseline.	By 2050, we will target absolute zero emissions as part of our commitment to become a restorative business.* *By absolute zero emissions we mean absolute contraction of GHG emissions, rather than GHG emissions by intensity

In doing this, we will follow an emissions hierarchy of avoid, reduce, use renewables and offset, as follows:

- We will avoid any unnecessary emissions and reduce embodied carbon where possible.
- We will reduce operational emissions through efficiency measures and changing fuel sources.
- We will increase onsite renewables and promote and use renewable energy contracts where available.
- We will offset the remainder of emissions as a last resort, initially only focusing on offsetting residual embodied carbon from developments and refurbishments.

We work with our clients and stakeholders to understand the necessity of implementing achievable interim targets whilst working towards net zero outcomes. We have invested in training for both our people and partners to work towards investing in and managing real estate that has a clear pathway to net zero carbon emissions by 2040.

In order to understand relevant and meaningful decarbonisation initiatives, CPF has also conducted 17 in-depth asset-level net zero carbon audits across the portfolio and we continue actioning our strategy by implementing scalable, data-driven approaches across our managed assets building towards our net zero targets.

"Our transition to Deepki Ready marks a major step in strengthening data quality and analytics, forming the bedrock of our journey to net zero"

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Objectives and Targets

Transition to support transparency

2024 was a landmark year in terms of environmental data and reporting. CPF took the decision to transition to a new ESG Data Platform – Deepki Ready. This has been no small task for a fund this size, with hundreds of utility meters to mobilise in an effort to improve data collection, automation and quality. With advanced analytics, this now forms the bedrock of tracking our journey to net zero.

Regulation and associated disclosures are becoming an ever greater driver for change and something we would consider to be a minimum requirement. We strive to go 'beyond compliance' by implementing an ESG programme focused on creating performance improvement throughout our portfolio.

As such, we have a set of dedicated and ambitious sustainability objectives to drive our ESG programme and track performance improvements as sustainability initiatives are rolled out. By doing this, we will create a more resilient, resource efficient portfolio that is recognised by the market, our site teams and occupiers.

These objectives have been consolidated into our overarching targets.

Partnerships and Memberships

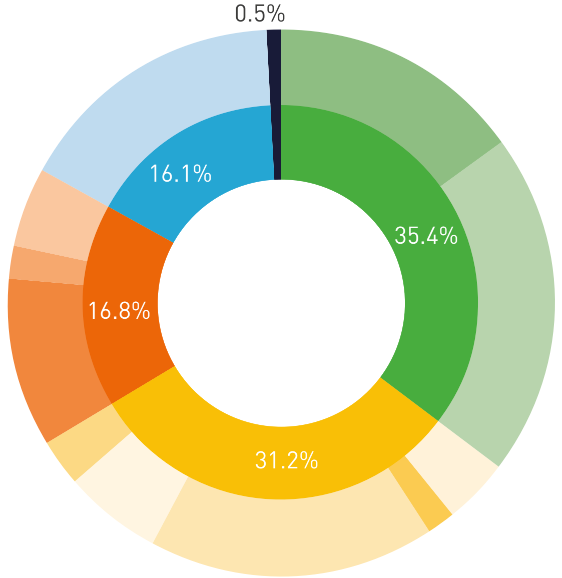
GRESB
INREV
AREF The Association of Real Estate Funds
CREFC Europe
TCFD Task Force on Climate-related Financial Disclosures
GREEN Global Real Estate Engagement Network
CRREM
Science Based Targets
ULI Urban Land Institute
PRI Principles for Responsible Investment
BBP Better Buildings Partnership

Sector Weightings - The Fund

The portfolio is well diversified and is not overly exposed to any one particular sector. It continues to have a bias towards industrial/logistics (our largest sector exposure), alternatives and the retail warehouse sectors. It remains significantly underweight (relative to the MSCI / AREF All Balanced Open Ended Property Funds Index) to offices (our exposure is 18% lower than the MSCI average) and has no exposure to High Street or shopping centres. The MSCI weightings are shown on the facing page.

CPF Portfolio by Sector

as at 24 June 2025



Industrial & Distribution

South East Industrials	15.0%
Rest of UK Industrials	20.4%

Offices

London Offices	10.0%
South East Offices	2.1%
Rest of UK Offices	4.7%

Alternatives

Education	4.0%
Leisure (food & beverage / health & fitness)	1.6%
Accommodation (hotels / student / serviced apts.)	17.0%
Automotive	5.8%
Roadside	2.8%

Retail

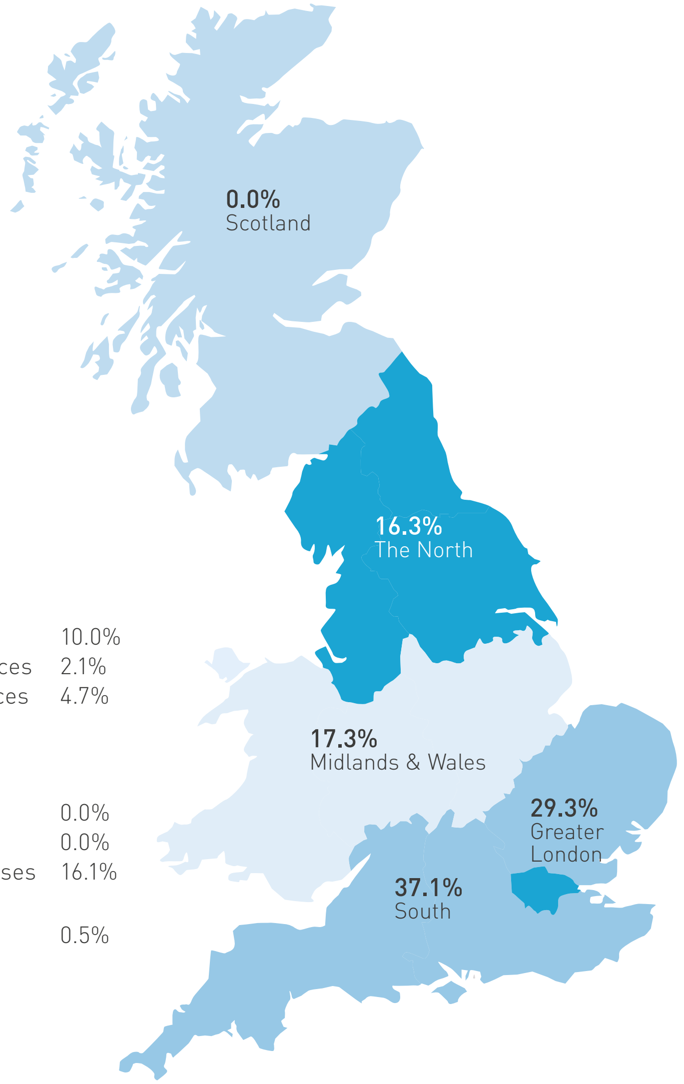
High Street	0.0%
Supermarkets	0.0%
Retail Warehouses	16.1%

Cash 0.5%

Source: Savills Investment Management

CPF Portfolio by region

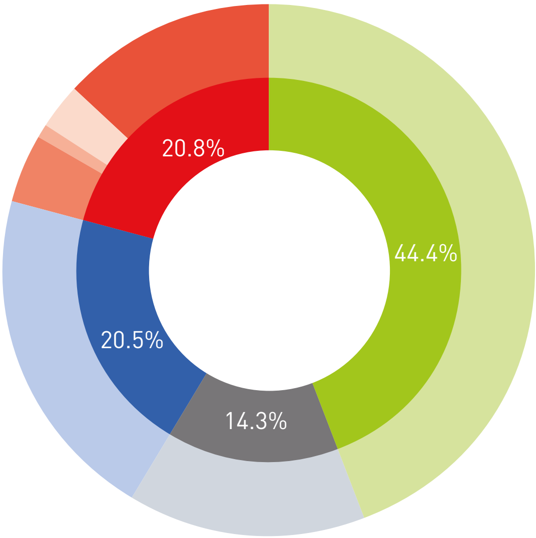
as at 24 June 2025



Sector Weightings - MSCI

Geographically the main differences are that the Fund has a higher weighting in the Midlands, Wales and the North (7.5% higher) and a higher weighting in the South (2% higher). The Fund has a lower weighting for London (7.8% lower) and currently has no exposure to Scotland, which may change now the threat of independence has retreated.

MSCI UK Quarterly Property Index Sector Weightings as at 24 June 2025



Industrial & Distribution

Industrial & distribution	44.4%

Offices

Offices	20.5%

Alternatives

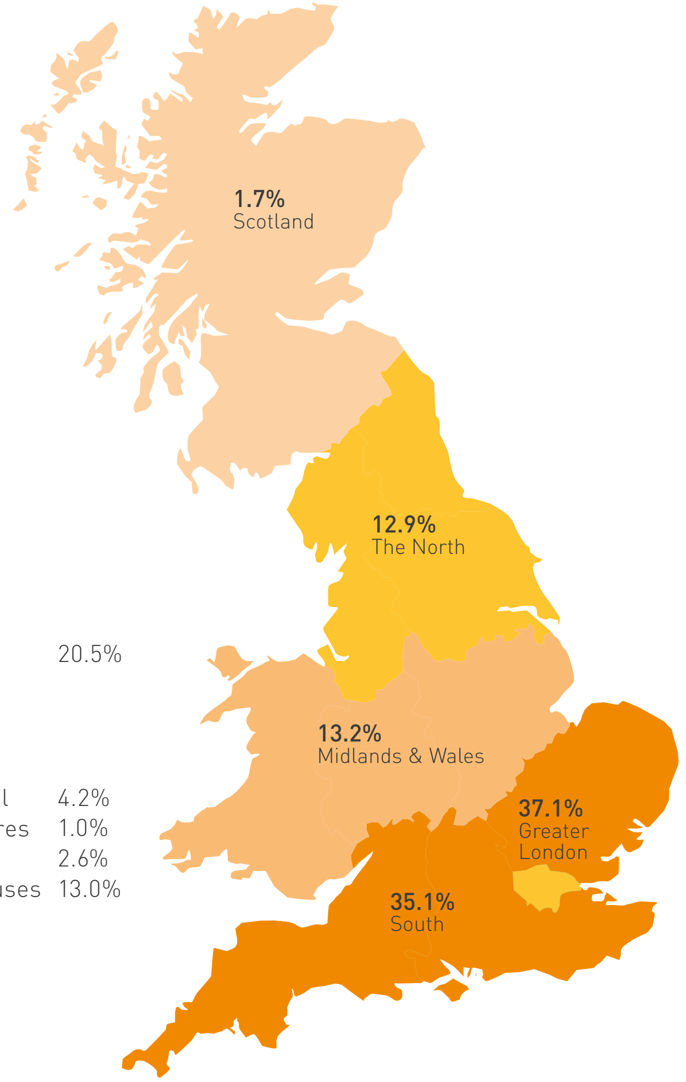
Alternatives	14.3%

Retail

Standard Retail	4.2%
Shopping centres	1.0%
Supermarkets	2.6%
Retail warehouses	13.0%

Source: MSCI

MSCI UK Quarterly Property Index Geographical Weightings as at 24 June 2025



Asset Management

It has been a busy twelve months for the Fund with a substantial number of asset management initiatives completed. A total of 36 new lettings, lease renewals and rent reviews were undertaken.

14 new lettings/ lease renewals

22 rent reviews completed

£2,350,000 of income attributed to those transactions

+12.2% average increase at review

Average premium to Estimated Rental Value (ERV) across all new lettings/renewals was **+2.7%**

Average premium to ERV at rent review **+3.0%**

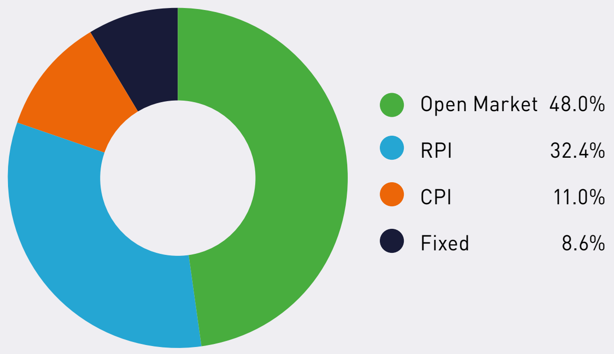
Rent Reviews

The vast majority of our leases incorporate rent reviews and they are all upward only (i.e. they don't allow for rents to reduce). The review pattern varies - some are calculated annually and some are on a three yearly cycle, however, for the most part they work on a five yearly pattern. The only leases that don't incorporate rent reviews are those that are short - five years or less.

Within the portfolio we have created a balance between leases that benefit from being linked to open market rents, comprising 48% of the portfolio and those that are linked to RPI, CPI or with fixed rental increments stated in the lease. You can see the composition in the chart on the right. Approximately half the RPI reviews are uncapped, which can generate significant increases when inflation is high, with the remainder capped at 4% or 5% per annum. All of the CPI reviews are capped at 3% or 4% per annum.

We think it is prudent to have an even balance and good diversification. Open market reviews have been delivering strong increases in recent years and the largest uplift at review during the year was an industrial unit in Manchester where the rent leapt +70.5%. Likewise it is reassuring to have that link to inflation which ensures we continue to see rents grow within the portfolio year after year.

Rent Reviews



Source: Savills IM

Basingstoke

Lease Expiry Profile

The Fund's average lease length to expiry at 10 years is almost two thirds longer than the market average at 6.1 years.

In terms of lease length for Q2 2025, the Fund has 27.2% of income secured on leases for in excess of 10 years, significantly ahead of the MSCI/AREF All Balanced Open Ended Funds Index weighted average of 16.3%.

When analysing income in excess of 20 years, the Index has 4.5% secured on average, whilst the Fund again has over double this at 12.2%. This level of income security is reassuring during these times of heightened economic uncertainty. The Fund also has the lowest void rate of all funds within the MSCI/AREF All Balanced Open Ended Funds Index (comprising of 22 funds) at 4.4%, compared to the index at 12.5%

% of Income from Leases Expiring after 10 Years

Authorised Property Unit Trusts	
Standard Life Pooled Property Pension Fund	32.0
The Charities Property Fund	27.2
PATRIZIA Hanover Property Unit Trust	23.8
AEW UK Core Plus Property Fund	21.8
Legal And General Managed Fund	20.5
Schroders Capital UK Real Estate	20.3
Royal London UK Real Estate Fund	19.8
The Local Authorities' Property Fund	19.1
COIF Charities Property Fund	16.5
All Balanced funds (un-weighted/weighted average)	**14.2%/16.3%**
MC PUT	14.8
L&G UK Property Fund	14.3
Federated Hermes Property Unit Trust	13.7
CBRE UK Property PAIF	11.6
The Property Income Trust for Charities	10.4
BlackRock UK Property Fund	9.2
CT UK Commercial Property Fund ICVC	8.7
Triton Property Fund LP	8.5
Threadneedle Pensions Ltd	6.9
Threadneedle Property Unit Trust	6.1
abrdn UK Real Estate Fund	4.3
Royal London Property Fund	3.1
Fidelity UK Real Estate Fund	0.0

% of Income from Leases Expiring after 20 Years

Authorised Property Unit Trusts	
The Charities Property Fund	12.2
PATRIZIA Hanover Property Unit Trust	11.0
The Local Authorities' Property Fund	10.7
Federated Hermes Property Unit Trust	10.2
COIF Charities Property Fund	9.4
CT UK Commercial Property Fund ICVC	8.7
Royal London UK Real Estate Fund	8.0
L&G UK Property Fund	6.6
The Property Income Trust for Charities	6.4
All Balanced funds (un-weighted/weighted average)	**4.7%/4.5%**
Triton Property Fund LP	3.4
Legal And General Managed Fund	3.4
MC PUT	3.2
Standard Life Pooled Property Pension Fund	3.0
Schroders Capital UK Real Estate	3.0
AEW UK Core Plus Property Fund	1.4
Threadneedle Pensions Ltd	1.1
Threadneedle Property Unit Trust	0.8
BlackRock UK Property Fund	0.8
Fidelity UK Real Estate Fund	0.0
abrdn UK Real Estate Fund	-
Royal London Property Fund	-
CBRE UK Property PAIF	-

Source: MSCI/AREF Property Fund Vision Handbook, June 2025

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Portfolio Report - Sales

During the course of the year to June 2025, the Fund sold thirteen properties comprising one south east office, two car dealerships, two multi-let retail warehouses, two solus retail warehouses unit, a leisure parade and five industrial units.

These assets had been targeted for disposal once all of the asset management had been completed. They were sold to a mix of institutions, motor dealership groups, tenants, private investors and property companies. The combined sale price was **£81.955 million** reflecting a net initial yield of 6.8%.

The Fund's sales were:

1. Maidenhead

The Fund acquired One Bell Street, Maidenhead at the end of 2012 for £6.725 million when it was let to two tenants; Ektron and Regus. The strength of this property was always its location, just 150 metres from Maidenhead Train Station (Elizabeth Line). At the end of 2022, the Fund gained full vacant possession of the property and committed to carry out a full net zero carbon enabled refurbishment, which incorporated extensive works to M&E, installation of air source heat pumps, photovoltaic panels, electric vehicle charging points and a green roof. This refurbishment resulted in achieving a BREEAM Excellent certification, an EPC rating of A and a SKA Gold designation.

Following completion of the refurbishment, the office was let to the copper division of Glencore Plc on a new 10 year lease at a rent of £886,210 per annum (£45 per sq ft), with annual breaks from year 4. Having successfully completed the refurbishment and subsequent reletting, the asset was openly marketed during the summer of 2024 and a sale was agreed to a local authority pension fund at £9.25 million, reflecting a net initial yield of 9% and a 10% premium to valuation. The Fund also received £5.2m in income over the period of its ownership. This completed in December.

2. Basildon

Old Market Retail Park comprises a multi-let retail park let to Poundland, Farmfoods, Pets at Home, McDonald's and KFC on the outskirts of Basildon. It was acquired in May 2011 for £8.75 million. Over the course of the Fund's ownership multiple asset management initiatives were carried out which included four rent reviews, lease renewals on McDonald's, KFC, Farmfoods and Pets at Home, as well as a new letting to Poundland which resulted in the rents increasing by over 28%.

The property was marketed in mid-2024 with the sale completing to a property company in October. The £10 million disposal price achieved reflected a net initial yield of 6.73% and a small premium to valuation.

3. Swindon

This builder's merchants was acquired by the Fund over 20 years ago. At acquisition, it was let to Jewson on a lease expiring in February 2023. In April 2024, following the tenant holding over for a year, we agreed a new 10 year lease at a rent of £213,400 per annum, a 23% uplift on the previous rent. Conclusion of the asset management triggered a sale and following a competitive bidding process, we agreed the sale to a UK REIT at £3.51 million (5.7% net initial yield), reflecting a 76% capital profit for an asset that had unbroken income over the 20+ year hold period.

Swindon
Sale price: **£3.51 million**
IRR over hold period: **8.98% per annum**
Net initial yield: **5.70%**

Charities Property Fund

Hereford
Sale price: **£6.25 million**
IRR over hold period: **5.41% per annum**
Net initial yield: **6.59%**

4. Sheffield

Cambridge Street, Sheffield; a leisure parade, was acquired by the Fund in two lots, the majority shortly after inception of the Fund over 22 years ago and the remaining middle unit in 2011. It comprised five contiguous leisure and retail units. Over the course of the past 20 years, the Fund has carried out a number of successful asset management initiatives including rent reviews and new lettings. However we believed there would be limited upside in holding the asset given the level of current rents.

Following an open marketing campaign, it was apparent that the best price would be achieved by selling in two lots. The largest unit situated at the end of the parade was sold to the tenant, JD Wetherspoon, for £2.5 million in July 2024 reflecting a yield of 5.6%. The remaining four units were sold to a private buyer for £2.57 million in September 2024 reflecting a yield of 9.3%. The asset delivered a total of £7.3m in income over the hold period.

5. Hereford

Brook Retail Park, Hereford is a food anchored retail warehouse scheme let to Lidl, Pets at Home and Poundstretcher, which was purchased in January 2015 for £5.6 million. At purchase the property was let to the three existing tenants as well as Poundworld (in a small unit adjacent to the then Lidl unit). Poundworld went into administration in 2018 which provided scope to undertake a regear with Lidl and expand them into the adjacent unit on a new 25 year lease. Separate from this regear, we also completed renewal leases with Pets at Home and Poundstretcher. Having completed extensive asset management at the Lidl unit and extended the other two leases, there was no further asset management to pursue in the short term presenting a natural juncture to sell the asset.

Over the course of the hold period, this asset delivered more than £3 million in rent and sold to an institutional investor for £6.25 million in July 2024, marginally above the independent valuation.

Portfolio Report - Sales Continued

Harrogate
Sale price: **£8.70 million**
IRR over hold period: **6.70%**
Net initial yield: **6.57%**

6. Doncaster

Wickes in Doncaster, a solus retail warehouse unit, had been an asset in the Fund for well over 20 years having been acquired for £3.275 million in April 2001. Throughout our ownership it has been continually occupied by Wickes.

In late 2024, Aldi expressed an interest in acquiring the freehold with the ultimate aim of securing vacant possession, change of use and occupying the property to trade as a supermarket. Armed with this information, we approached Wickes in relation to a reversionary lease. They were well aware that if the Fund sold the asset to Aldi, they would most likely have to vacate at lease expiry. Wickes therefore agreed to extend their current lease, which expires in 2028, until 2039, which provided the Fund with a 15 year term certain as well as increasing the rent by over 21%.

Immediately following the conclusion of the reversionary lease in March 2024 the premises was openly marketed for sale and following a competitive bidding process, we received offers from four parties. The property was sold to a local property company for £5.325 million reflecting a yield of 6.32%. As with Swindon detailed earlier, this property remained occupied by the same tenant as at acquisition over twenty years later, illustrating the quality of location and how the building remains relevant to tenant today.

7. Audi, Harrogate

Acquired as part of a four property portfolio in 2014, the Audi car dealership was purchased for £6.075 million. In 2017, Sytner secured planning permission to extend the building, at which point the Fund agreed to fund some of the works in exchange for extending the lease and increasing the rent by 41%. Whilst the income generation for this asset has been good, having received over £5 million in rent over the past 10 years, we did have concerns in relation to the increasingly over rented nature of the asset.

Given this was not deemed a core hold within our car dealership sub sector, a decision was made to market the asset. This asset was acquired by a rival dealership group for £8.7 million, reflecting a yield of 6.57%. Whilst marginally below valuation the asset had been fully marketed. This completed in August 2024.

Doncaster
Sale price: **£5.33 million**
IRR over hold period: **9.03% per annum**
Net initial yield: **6.32%**

Portfolio Report - Sales Continued

8. Telford

In 2011, the Fund acquired the Laconite Building in Telford; an industrial unit which at the time was let until 2019 at a rent of £715,000 per annum. The purchase price of £5.25 million equated to a net initial yield of 13.5%.

At expiry, Johnston Controls, the former tenant vacated and the unit was subsequently relet to Northwood Hygiene Products on a new 5 year lease at £730,000 per annum. As part of the lease negotiations, the Tenant had a pre-emption right to acquire the property in the fourth year of their lease for a stipulated price of £8.025 million. The tenant duly exercised this right in August, triggering the disposal of this property. The sales price reflected a 53% capital profit to the acquisition price. This asset also almost delivered £8 million in rent during the 13 year ownership.

9. Bedford

This car dealership asset was acquired in June 2022 as part of a five property sale and leaseback portfolio. At acquisition, it was let on a new 20 year lease to Vindis Group Limited and offered five yearly CPI linked rent reviews (collared and capped at 1% per annum and 3% per annum respectively). It was marketed in late 2024 and attracted interest from a variety of purchasers, resulting in bids from five different parties. The transaction completed in early 2025 for £4.30 million, reflecting a yield of 6.1% and in line with the most recent independent valuation.

Gloucester
Sale price: **£9.60 million**
IRR over hold period: **12.7% per annum**
Net initial yield: **5.20%**

10. Manchester & 11. Gloucester

Wardley Cross, Manchester was acquired in 2001 for £3.34 million and Wendland House, Gloucester was purchased in 2012 for £5.35 million. Over the course of the Fund's hold period, the Fund carried out lease renewals which extended the lease terms and increased the rents. At Manchester alone, the rent increased by 87% during the Fund's ownership.

The assets were marketed in 2024 as part of a two property industrial portfolio and were subsequently sold for a combined £17.7 million, resulting in a capital profit of £9 million (+104%) and translating to a net total return of 10.5% and 12.7% per annum for Manchester and Gloucester respectively.

Manchester
Sale price: **£8.10 million**
IRR over hold period: **10.50% per annum**
Net initial yield: **6.16%**

12. Redhill

This solus retail warehouse unit was the smallest property in the portfolio having been acquired in March 2018 as part of an in-specie transfer for an apportioned price of £600,000. The asset was let throughout the hold period delivering over seven years of income. It was sold in April 2025 for £650,000.

13. Rochdale

Rochdale was a single let industrial unit which the Fund acquired in mid-2021 for £2.85 million. At purchase it was let to Royal Mail Group at a rent of £169,901 per annum. In December 2024 the Fund concluded an open market rent review increasing the rent by 21.8% to £207,041 per annum. This presented a natural juncture to market the property which subsequently received strong interest culminating in a competitive bidding process and five offers. The Fund sold the property to a private property company for £3.175 million reflecting a net initial yield of 6.1%.

Economic and Commercial Property Outlook

Oxford

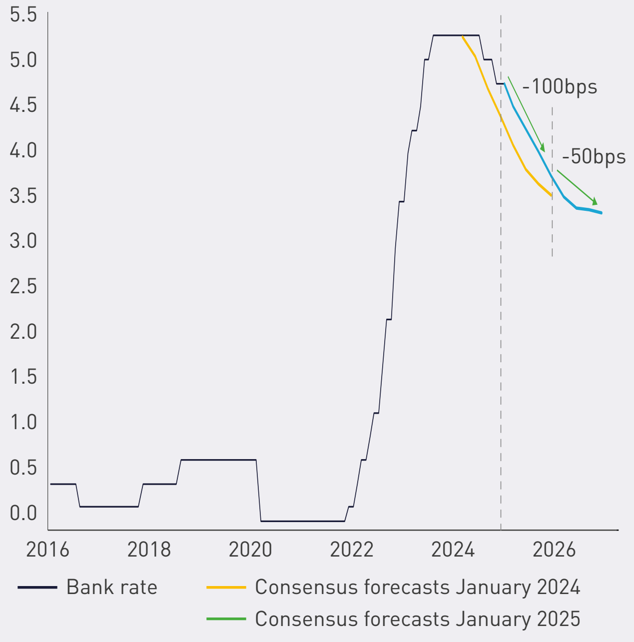
Charities Property Fund

Economic Overview

The UK economy charted a bumpy path over the 12 months to June 2025, providing a little bit of everything for the optimists and pessimists alike. In July last year, the decisive general election victory by Labour was met with an initial burst of optimism that better times were ahead. Consumer confidence stood at a two-and-a half year high; business surveys pointed to economic activity strengthening; inflation was hovering around the Bank of England's (BoE) 2% target, with more sticky service's inflation on a downward path; and expectations were that the BoE would start to cut interest rates – which it did in August.

However, with the new Chancellor soon warning about the need to plug a £22 billion black hole in the public finances, signalling a likely increase in taxes was around the corner, the mood music shifted quickly. Increased uncertainty about potential tax hikes and higher public spending cast a shadow over outlook as consumers reined in spending and business investment fell in Q4 2024 for the first time in more than a year. Despite the BoE cutting its base rate five times between August 2024 and August 2025 – a re-acceleration of inflation and financial market concerns about government borrowing saw 10-year gilt yields rise between 75bps and 100bps.

Bank of England interest rate and expectations (%)



Source: Macrobond, Consensus Economics (January 2025)

At the same time, the UK, like many other countries had to deal with heightened global economic uncertainty resulting from US President Trump's announcement of higher tariff barriers, as well as seeking to negotiate a deal to minimise the negative impact on exporters.

In spite of all these headwinds, the UK economy has continued to grow at a modest pace. With a better-than-expected first half of 2025, the economy grew by 1.2% over the 12 months to Q2 2025. Not spectacular, but also far from down and out. Rising real wages and a still healthy labour market have been key supports for continued growth. Although lower paying jobs have been hit hardest by the increase in employer national insurance contributions, the scale of job losses has been much smaller-than-expected. Not only a positive for the economy, but also a positive for real estate occupier markets.

Looking further ahead, rising inflation could once again prove a headache for the BoE in the near-term to further interest rate cuts. Assuming no upside surprises and that the outlook for inflation continues to point to an easing of upward price pressures next spring, most market commentators expect the bank to cut interest rates further to support growth. While a return to an environment of ultra-low interest rates isn't anticipated, lower market interest rates will be positive for the sector amid an on-going near-term backdrop of subdued growth.

Surge in Government borrowing costs

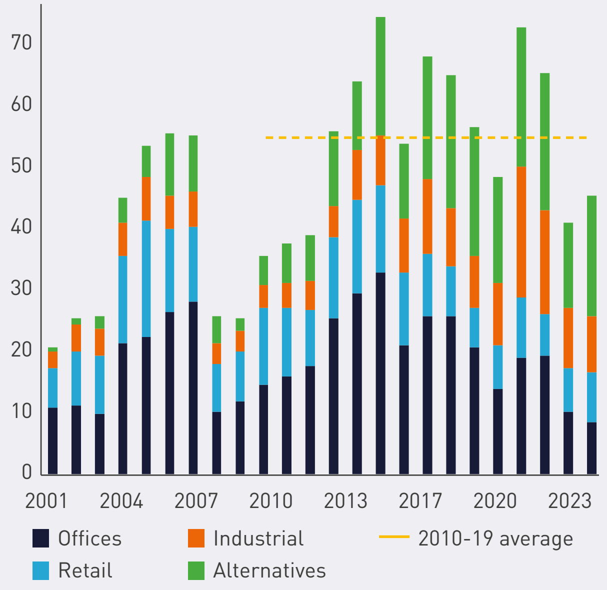
Source: Macrobond, Oxford Economics (Sep 2025)

Real Estate Market Overview

Real estate markets have entered a period of stabilisation following the sharp, interest-rate induced, decline in capital values between mid-2022 and early 2024. Investment volumes continue to recover, with just under GBP50 million in deals in the 12 months to Q2 2025 - up by close to 25% since a low a GBP39.8 billion in the 12 months to Q3 2023, MSCI RCA data show. However, the start of the recovery phase has been very uneven. Investors might be surprised that a key driver of the initial recovery phase has been the retail sector – a sector long out of favour.

In particular, the retail warehouse sector, a segment of the market that is considered more defensive to online competition and viewed positively by occupiers for their lower operating costs and convenient locations, has been one of the standout performers. With average income returns of 6% (compared to 5% at the all-property level)[1] and low (and falling) vacancy putting some upward pressure on rents, the attractiveness for income-seeking investors has driven a strong recovery in capital back into the sector. Shopping centres too have witnessed a revival as investors look for re-priced, dominant schemes offering strong income returns.

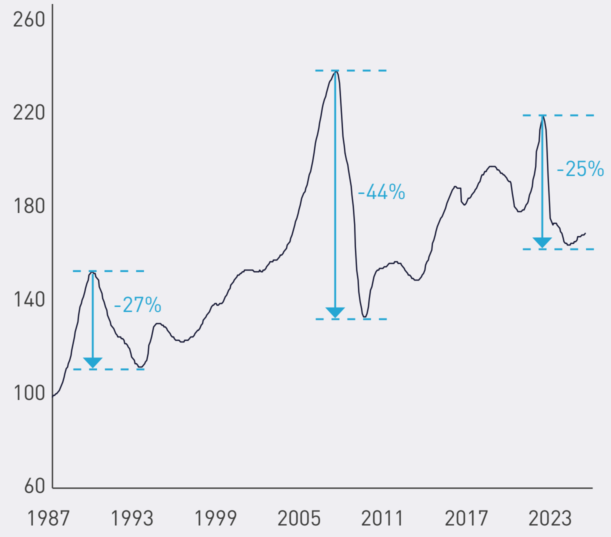
UK real estate investment (GBP, billion)



Source: MSCI, Savills IM - January 2025

Supported by long-term structural shifts, the industrial and logistics sectors, particularly standard industrial units, continue to remain attractive, supporting a recovery in capital values. At the other of the spectrum, offices remains a very unloved and polarised sector. While much of the commentariat focus has been around the prime end of the market, of which tenant demand for best-in-class space had driven prime rents to new record levels over the past couple of years, listed companies such as Derwent London and Great Portland Estate continue to trade at significant discounts to net asset value (NAV). Moreover, average office values outside of London remain under pressure while the investment market continues to be characterised by low levels of liquidity, particularly for larger lot sizes.

UK monthly all-property capital value index (Dec 1987=100)



Source: MSCI UK Monthly Index, Savills IM (July 2025)

Admittedly, early 2025 optimism that lower risk-free rates (as proxied by 10-year gilt yields) and 5-year swap rates would support the sectors recovery, hasn't come to fruition. Rather, it has been the occupational market that has continued to do much of the heavy lifting as tenant demand for well-located, good quality space has continued to support rental growth. In spite of the general sluggishness of the economy.

A pick-up in the macroeconomic environment and lower market interest rates would generate a welcome improvement in the outlook and tailwinds for the recovery. Nonetheless, with total returns forecast to average around 8% p.a. over the next three years[2], which compares favourably to the 5.7% p.a. average total return over the past 20 years[3], and strong income returns achievable, real estate continues to provide long-term investors with an attractive return profile.

1. MSCI UK Quarterly Index, Q2 2025
2. IPF Consensus Forecasts, Q2 2025
3. MSCI UK Annual Index, 2024

Retail - In Focus

The retail warehousing sector has navigated a period of significant economic flux, emerging from a backdrop of volatility with renewed resilience. Pay growth has continued to outpace inflation, with average real wages rising by 5.0% between April and June according to the ONS, lending further support to consumer spending power. Nevertheless, retailers and businesses have remained cautious, anticipating pressures from the rise in national insurance contributions, the increase in the minimum wage, and the gradual reduction of business rates relief, all effective from April this year. These higher operating costs are expected to curtail further wage growth, with many employers indicating plans to reduce their workforce size or raise prices.

Greenwich

Operators with a focus on essential goods and value have outperformed, while those tied to more discretionary, big-ticket items face a more challenging environment. Nonetheless, retailers have sounded notes of caution, with profit expectations being recalibrated to reflect higher operational costs and an uncertain economic outlook.

Savills reports that the market for new lettings has remained resilient, with 735 retail warehouse lettings in 2024 and a strong pipeline for 2025. Q1 2025 alone saw 279 new lettings, equivalent to 38% of last year's total, with The Range leading the way through acquisition of Homebase units. Discount and value-led brands, including PureGym, B&M, Home Bargains, and value-oriented grocers such as Farmfoods, Lidl, Aldi, and Iceland, continue to dominate expansion. Food and Beverage (F&B) brands remain acquisitive, while tighter planning restrictions on drive-thru and fast-food locations are making existing sites increasingly valuable.

Competitive tension and low void rates underpin market confidence. The vacancy rate in retail warehousing stands at 4.6% (Savills Research), but the real vacancy rate (excluding sites earmarked for redevelopment) is closer to 2.1% which is equivalent to just 8.5 million sq ft of truly available space. Against an average annual take-up of 4.8 million sq ft, the supply pipeline is tight, supporting continued rental growth.

Rental growth resulting from the low void rate has been the standout story, with Savills reporting average net effective rent growth of 7.0% in 2024, raising the average rent to £21.00 per sq ft (excluding F&B). Since the market's low point in 2020, net effective rents have increased by 24.7%, affirming robust underlying demand.

Although the outlook for 2025 is tinged with uncertainty, particularly in light of global trade dynamics, rising employment costs, and the potential impact of further US tariffs, the fundamentals remain sound. The scarcity of prime stock, steady occupational demand, and the defensible income return profile of the sector continue to attract both existing and new investors. The first quarter of 2025 was the strongest Q1 since 2022, with £748m transacted across 22 deals, including several major landmark transactions*.

With conditions broadly favourable, we remain confident in the sector's capacity to deliver resilient and sustainable performance, underpinned by its strong occupier base, limited supply, and ongoing investor appetite.

* Savills Research, April 2025

Retail - The Fund

A Strategic Focus
We have consistently held a strong conviction in the retail warehouse subsector, stemming from the enduring fundamentals that have only strengthened with time. In addition to the financial benefits of lower costs, retail warehousing offers a unique blend of flexibility and resilience, making it an attractive option for a diverse range of tenants.

Market Fundamentals
Retail warehouse rents remain attractively affordable in comparison to both high street locations and shopping centres, providing occupiers with greater financial flexibility to weather the current economic environment. Service charges are notably lower than those typically faced in shopping centres, and the prevalent big box store formats enable more efficient, standardised fit-outs for tenants. Furthermore, the strategic locations of these warehouses often provide easy access to major transportation routes, enhancing logistical efficiency for retailers. Another key advantage is the abundance of on-site car parking, which is usually free, further enhancing the appeal to both retailers and consumers. This convenience is particularly valued by customers who prefer the ease of driving to a location where parking is readily available.

Occupier Profile and Benefits
Tenants in our retail warehouse assets tend to be grocery, discount, and convenience operators—businesses that specialise in the sale of essential goods. These stores are uniquely positioned to support retailers' omni-channel strategies: a physical presence bolsters brand visibility beyond online platforms and facilitates click-and-collect services as well as last mile distribution. The integration of physical and online sales channels allows retailers to offer a seamless shopping experience, catering to the evolving preferences of modern consumers.

Strategic Site Advantages
Retail parks are typically substantial sites located on the edge of urban centres, offering the flexibility for alternative future development should market conditions or community needs evolve. This adaptability ensures that the sites remain valuable assets, capable of evolving to meet changing demands.

Portfolio Overview
At present, the Fund owns approximately 625,000 sq ft of retail warehousing across 11 distinct locations nationwide. The average unit is 17,365 sq ft, and our portfolio is operating at a 0% vacancy rate, underscoring its strong tenant demand and resilience. This impressive occupancy rate highlights the desirability of our properties and the effectiveness of our management strategies.

Rental levels further highlight the affordability of this subsector: our average rent in London and the South East stands at £19.52 per sq ft, while regional assets command just £10.90 per sq ft. These figures are closely aligned with logistics rents in many areas, reaffirming the comparative value and versatility of retail warehousing. The competitive rental rates make our properties an attractive option for a wide range of businesses, from established retailers to emerging brands.

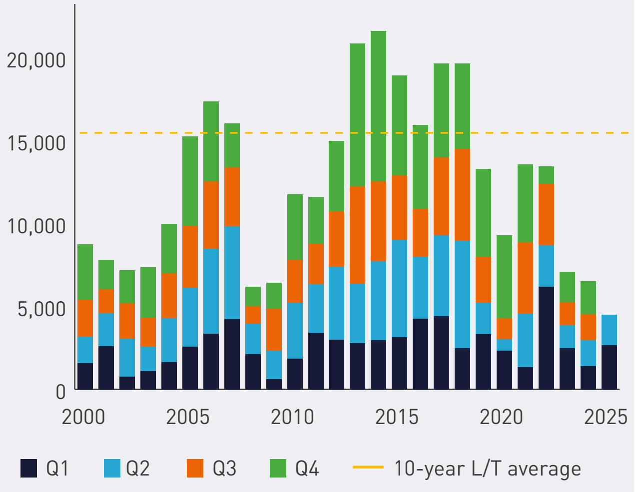
Our Tenants

Offices – In Focus

The office sector remained the worst performing commercial property sector in the UK during the 12 months to June 2025 delivering a total return of +2.6%. The important point is not so much the number, more the fact that it turned positive after two consecutive years of negative returns. The nadir of the market was 2023 when the UK office sector delivered a total return of -16.1%, savaged by rapid yield expansion and the market's aversion to the office sector. The market posted capital declines of -19.4% in the year to June 2023 and -11.5 % in the year to June 2024. The erosion of capital values slowed in the last 12 months but still registered a capital decline of -1.9%, offset by an income return of 4.5%*.

In the immediate years following Covid the market was indiscriminate in its markdown of the office sector and our assessment is that the sector is recovering. That said, both occupier and investor demand is very discerning, so best in class properties are sought after, whilst secondary assets continue to drift downwards.

Central London Investment
(£m)

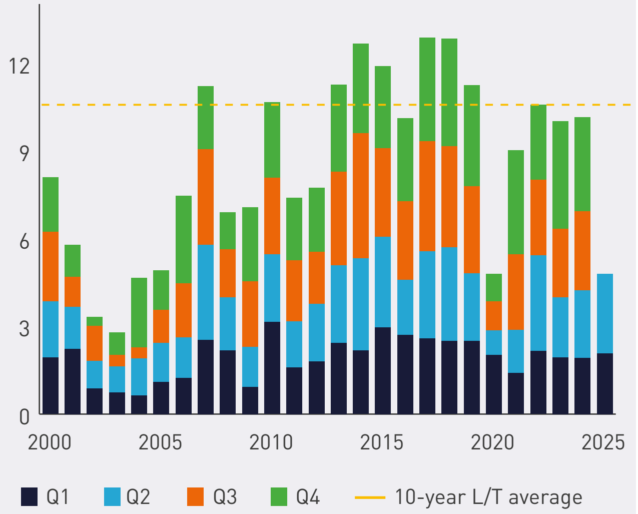


Source: Savills Research

On the surface, the central London office market appears to be ticking along, shrugging off the various headwinds that keep being thrown at the corporate sector. Leasing activity rose by 28% quarter on quarter in Q2 2025 according to CBRE data. The quarter also saw the highest number of large letting deals (>100,000 sq ft) in a quarter since Q3 2018, totalling five. Positively, net absorption jumped to the highest quarterly level since Q3 2019, CBRE data shows. Yet there remains a fragility in the London office market outside of well-located, best-in-class assets, and despite solid operational updates from the listed London office specialists the share price discounts to NAV remain stubbornly depressed with Great Portland Estates and Derwent London trading at a range of -35% to -45%. Both take-up and investment activity remain below their long term averages (see graphs below) so whilst there are encouraging signs from both occupiers and investors, caution persists.

We anticipate that investment volumes will recover in 2025 and we are encouraged by transactional evidence demonstrating that there is some momentum for prime central London offices. This is best encapsulated by 70 St Mary Axe (colloquially "The Can of Ham") which is owned by Nuveen. Blackstone were rumored to have offered £300 million to acquire the property back in 2024, but it was dismissed by the owner. In March Blackstone returned at an improved offer of £322 million, but the owner again declined to accept the offer. Fast forward to today and the property is under offer to a different buyer at £340 million vindicating Nuveen's decision to wait for market conditions to improve.

Central London take-up
(million sq ft)



Source: Savills Research

* MSCI, June 2025

Offices – The Fund

The Fund's exposure to the office sector is deliberately low at 16.8% compared to the Index's weighting to offices of 19.2%.

A third of the portfolio's weighting to offices is accounted for in a single property located in Farringdon known as The Smithson. This is a prime asset that has delivered good performance for our investors given that it was acquired for £23 million in 2011 and has more than doubled in value since purchase fueled by an 80% increase in rental income. We remain optimistic about its prospects for future income growth given its best in class attributes and the location being only 200 metres from the Elizabeth Line station at Farringdon.

The average rent at our London office holdings is low at £56 per sq ft which offers very good value compared to top rents in the Square Mile of £87.50 per sq ft and best in class West End offices now pushing above £200 per sq ft.

London, The Smithson

Outside of London our holdings are concentrated in central Brighton, Bath, Bristol and Cheltenham. All of these locations exhibit restricted supply and they offer future flexibility through the potential to convert the properties to alternative uses. Compare that to business parks where land is abundant, supply increasing and tenant demand cratering due to a lack of amenity and transport infrastructure. We have consistently eschewed business park offices and our only ownership on a business park is a datacentre in Solihull let to the UK Government where the tenant has invested significant capital to invest in digital technology as part of its critical national infrastructure.

It is dangerous to view any property sector as monolithic, but especially the office sector given the major headwinds that it has faced since Covid which have led to extreme variations in returns that an individual office can generate. The office sector has had to adapt very quickly to changing trends and as the Maidenhead case study demonstrates, we have the expertise to re-position buildings into ESG exemplars that attract good corporate occupiers willing to pay rents above our expectations and then exit to institutional investors. This outcome is underpinned by attention to detail on refurbishment projects to ensure we deliver what the market (both occupier and investor) demands, but also by picking stock near to improving infrastructure given the building's proximity to Maidenhead's Elizabeth Line station.

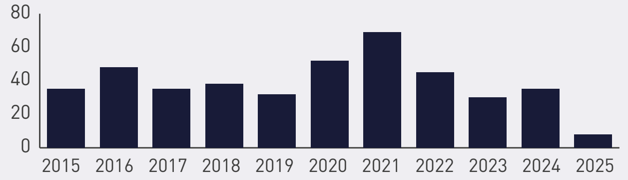
London, NW5

Industrial & Distribution – In Focus

The UK industrial and distribution market has slowed in the first six months of 2025 particularly in the larger >100,000 sq ft market. The development rush post-Covid-19 saw more than 50m sq ft of speculative space added to the big-box shed market over a four-year period, backed up by massive demand from e-commerce giants, retailers and supermarkets. But the series of economic shocks in the first half of 2025 and a drive to efficiency among larger occupiers has started to slow demand – which in turn has led to a pause in decision-making. Savills said levels of transactions in H1 were the second-lowest in more than a decade, while vacancy has increased to nearly 8%.

However whilst decision-making is typically slower among occupiers considering larger units, the market for smaller units has been much more robust, with tight supply and sustained rental growth. Inbound port traffic to the UK has also increased, and requirement levels have risen for the past two quarters. Indeed, take-up in the second quarter of 2025 has rebounded by 11% when compared with Q1, suggesting occupiers remain committed to improving their supply chains. They are increasingly prioritising modern facilities that offer energy efficiency, automation potential, and proximity to major transport corridors.

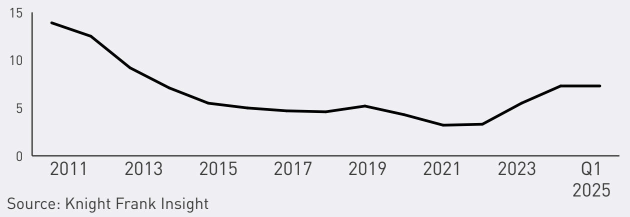
Take-up
(million sq ft)



Source: Knight Frank Insight

On the supply side, the market has seen a modest increase in vacancy rates, driven by the completion of several speculative developments and the release of second-hand stock. While this has temporarily eased pressure on availability, the overall pipeline remains constrained. Speculative development activity is still below historical averages, largely due to cautious investor sentiment and elevated construction costs. Developers are focusing on pre-let opportunities and build-to-suit schemes, which offer greater certainty in a market where financing remains selective and risk-averse.

Vacancy rate
(%)

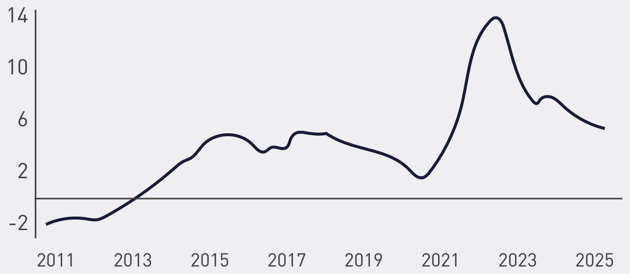


Source: Knight Frank Insight

The imbalance between supply and demand has continued to support rental growth, albeit at a slightly moderated pace. In the second quarter of 2025, prime rents across key logistics locations rose by an average of 3.5% year-on-year, down from 3.7% in the first quarter*. This deceleration reflects a more measured approach from occupiers, many of whom are grappling with rising operational costs, including wages, energy bills and business rates. As a result, some tenants are opting for shorter lease terms or exploring secondary locations to manage overheads more effectively.

Investment activity in the industrial and distribution sector has shown signs of recovery, with total volumes reaching £1.4 billion in the second quarter—a 26% increase compared to the previous quarter*. Though investment is down, multiple surveys of investors continue to show that industrial and logistics remains the most desirable asset class for capital deployment.

Annual average market rental growth
(%)



Source: Knight Frank Insight, MSCI

As the spate of take-privates in the listed space shows, there is huge interest when the price is right – especially with worries over tariffs receding and consumer confidence returning.

While the market remains cautious, particularly around pricing expectations and asset quality, institutional capital is gradually returning. Investors are increasingly targeting core-plus and value-add opportunities that offer scope for rental reversion, ESG improvements, and repositioning. Yields have stabilised in most regions, although prime assets continue to command a premium, especially those with long leases and strong covenants.

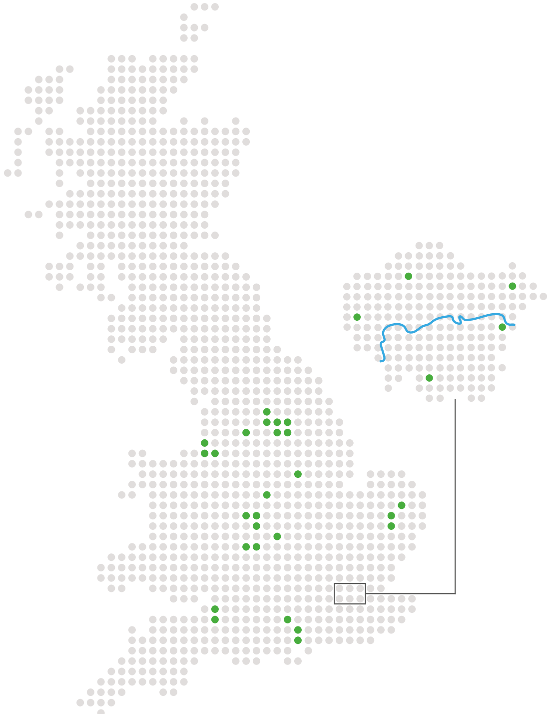
Technology is also reshaping the industrial landscape. Automation, robotics, and data analytics are now integral to warehouse operations, driving demand for facilities that can accommodate advanced systems and flexible layouts. The rise of omnichannel retailing has further blurred the lines between distribution and fulfilment, prompting occupiers to seek hybrid spaces that support both bulk storage and last-mile delivery. Urban logistics, while still constrained by planning and land availability, is gaining traction as retailers strive to meet consumer expectations for rapid delivery.

* Cushman & Wakefield, Q2 2025

Industrial & Distribution – The Fund

Industrial & Logistics is our largest exposure within the Fund and has always been our favoured sector. Our current exposure is 35%. The Fund displays a very well diversified estate of industrial and logistics units extending right across the UK in 31 separate assets providing 51 individual units and covering 2.36 million sq ft.

Importantly the majority of this is not "big box" but rather urban logistics. There is a distinct difference and the unit sizes are generally small benefitting from a much wider pool of potential occupiers. The average unit size is 46,000 sq ft and the rents are considered low at only £7.25 per sq ft. The average capital value per sq ft is below replacement cost, with costs of construction nearing £150 per sq ft. The Fund portfolio extends to precision manufacturing, lithium battery production, NHS critical infrastructure, self storage, data centres and temperature controlled storage units.



2.36 million sq ft

Units of
2,900 - 180,000 sq ft

Average unit size
46,343 sq ft

Average rent
£7.25 per sq ft

Average capital value
£143.20 per sq ft

Charities Property Fund

Alternatives – In Focus

The alternatives sector refers to property types that fall outside the traditional categories like office, retail and industrial. They have been gaining traction with investors for some time due to shifting societal trends, technological advances, and changing demographics.

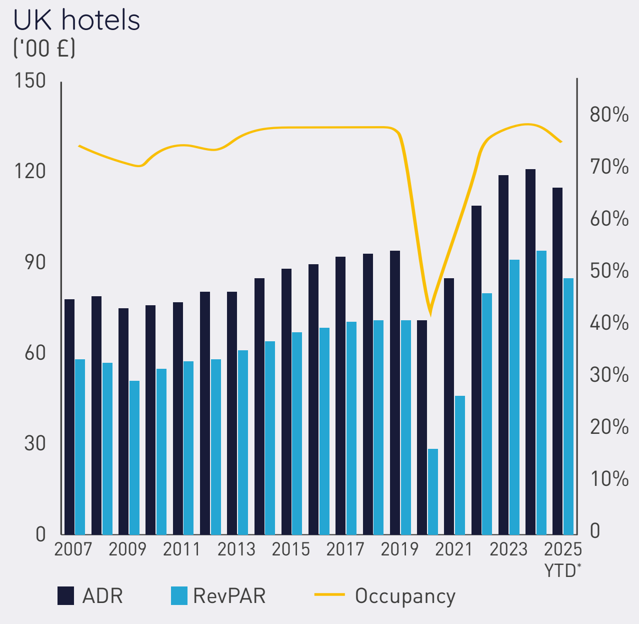
They tend to be well insulated against obsolescence and less susceptible to volatile capital fluctuations. This is either because they provide an element of critical infrastructure i.e. schools, hospitals, roadside and specialised supported housing or because they are structurally undersupplied – hotels, serviced apartments, student accommodation, single family and multi-family residential for example.

Outside of residential and student accommodation it is also common that occupiers sign long lease and the leases allow for inflation linked increases at review. Other prominent components include data centres, self storage and car dealerships.

As with all property, the devil is in the detail of the individual location. Some areas are undersupplied and some are not, however within alternatives the building itself plays a very important part in the tenants business which is much less evident in say the office sector. A hotel operator simply can't trade without the building and they tend to invest heavily in them as a result.

Hotels

The UK hotel sector has shown strong resilience post-pandemic, with trading performance rebounding across both London and regional markets. London reached an average occupancy of 82%, matching pre-COVID levels. Regional UK hotels achieved 76% occupancy and saw ADR (Average Daily Rate) growth of 2.3%, averaging £105— also on par with 2019 pricing.



*YTD June 2025
Source: CoStar, STR

Automotive

According to Deloitte, new car sales in the UK remained broadly stable in Q2 2025, increasing marginally (+ 0.11%) compared to the same period in 2024. A decline in April (-10.4%) was offset by a recovery in May and June, with sales rising by 1.6% and 6.7% respectively. Combined with the 6.4% growth recorded in Q1 2025, the automotive sector concluded the first half of the year 3.5% ahead of the first half of 2024.

The number of vehicles on UK roads reached an all-time high in 2024, rising by 1.4% to 41.96 million, according to the Society of Motor Manufacturers and Traders (SMMT). This included a 1.3% increase in cars, totalling 36.17 million and a 1.8% rise in vans to 5.1 million. The shift from internal combustion engine (ICE) vehicles to battery electric vehicles (BEVs) continues to be the industry's most significant transformation. Consequently, as electric vehicles become more affordable, the number of electric cars in use has exceeded one million, with over 1.3 million now on the road, according to research by Savills.

Newcastle-upon-Tyne

Alternatives – The Fund

The Fund has long held a strong conviction for the alternatives sector, which now represents 31% of the Fund across 35 assets. This is significantly ahead of the MSCI / AREF All Balanced Open Ended Property Index at 14.3%. The Fund's alternatives portfolio is strategically diversified across a wide range of subsectors, concentrating on critical infrastructure including education, hotels, serviced apartments, car dealerships, roadside assets, student accommodation and specialised supported housing. This breadth of exposure reflects a deliberate approach to capturing long-term, stable income streams from sectors underpinned by strong occupational demand, tenant commitment and underlying alternative use value.

Our preference for this sector is driven by a number of compelling factors; notably, the prevalence of long leases with a high proportion of index-linked or fixed uplift rent reviews and tenants who are willing to invest significantly in their properties. In most cases the tenant's regard their buildings as critical to their overall company operations in some cases the building is their business.

Success, however, in the alternatives sector is not solely about exposure to the sector itself, but exposure to the right assets in the right locations – in other words stock selection. Over 75% of the Fund's alternatives assets are situated in areas characterised by constrained planning and limited supply. These market dynamics contribute to strong tenant retention, as occupiers who secure space in such locations are highly committed to remaining there for the long term. A notable example of the Fund's stock selection capability is 333 Banbury Road, Oxford, a school which was acquired at the market peak in 2022 and despite the downturn in commercial real estate, has been the top-performing asset in the Fund over the past three years. This outcome underscores the team's ability to identify and secure high-quality assets, even in challenging market conditions. In the 12 months to June 2025, the Fund's alternative assets outperformed the benchmark by 178 basis points.

Across the Fund's alternatives portfolio, there is no vacancy. Rents are sustainable at less than £20 per sq ft; with prevailing rents in London and the South East of £27 per sq ft and £16 per sq ft across the rest of the UK. 89% of rents are reviewed to either RPI, CPI or have fixed uplifts included in the leases which are a good hedge of inflation and source of guaranteed dividend growth. The weighted average lease length to expiry in the portfolio currently stands at 16.2 years or 14.5 years assuming all break options are exercised.

Worcester

Charities Property Fund

Charities Property Fund Team

Savills Investment Management is a specialist international property investment management business with c.£22.4 billion of assets under management (as at 30 June 2025) and an experienced team of c.400 professionals located in 15 offices across Europe and Asia.

Property

Harry de Ferry Foster
Fund Director

Harry is Head of UK for Savills Investment Management and the Fund Director for The Charities Property Fund.

Harry has held these posts since 2018 and 2007 respectively and has been with the business since 2002.

Harry's role encompasses leading and setting the investment philosophy for the UK team. This includes equity raising, asset allocation, active sourcing of investments, investment of subscriptions and asset management. He sits on the UK Management Committee, the ESG Committee and the Savills IM Investment Committee.

Harry started his career at Cushman & Wakefield (formerly Healey & Baker) in investment agency before assisting with the establishment of their Fund Management team in 1998 and worked on a number of pension fund and charity accounts. Harry became RICS qualified in 1999 and has almost 30 years' experience in property investment and fund management and has transacted over £3 billion during his career. Harry completed the Investment Management Certificate (IMC) exams in 2003.

Angy Benitz
Portfolio Director

Angy is the Portfolio Director for the Charities Property Fund. Angy's primary role involves asset acquisition and disposal together with adopting portfolio management initiatives. Angy is also a member of Savills Investment Management's Investment Risk Committee.

Angy joined Savills Investment Management in September 2010 from DTZ where he spent 8 years in a variety of advisory roles, with an emphasis on investment agency representing a range of clients on acquisition and disposal transactions of commercial real estate within the UK.

Angy graduated from Oxford University in 2001 before joining DTZ and becoming RICS qualified in 2005.

Charities Property Fund Team

Savills Investment Management has provided investment services for 30 years, comprising separate accounts and investment mandates on an advisory or discretionary basis, and the establishment and management of pooled property funds.

Property

Jim Garland
Portfolio Manager

Jim joined the Savills Investment Management investment team in 2009 where he worked as an analyst in research and strategy contributing to the creation of house views, fund reporting and ad hoc research assignments. Jim moved across to the Charities Property Fund team in 2014. As a Portfolio Manager, Jim supports the Fund Manager and Fund Director with asset management initiatives, acquisitions and disposals.

Prior to joining Savills Investment Management Jim worked at a healthcare strategy and marketing consultancy.

Jim graduated from UCL in 1999 with a degree in Biotechnology and gained an MSc in Real Estate at Cass Business School in 2009. Jim is RICS qualified and has completed the Investment Management Certificate (IMC) exams.

Maggie McQuaid
Portfolio Manager

Maggie is Portfolio Manager for the Charities Property Fund. Her day to day role involves asset acquisitions and disposals together with the execution of asset management initiatives.

Maggie graduated from the University of Ulster in 2011 with a degree in Property Investment & Development. She subsequently worked for MSCI prior to joining the Savills Graduate Scheme in 2013. She spent time in hotel valuations, retail investment, property management, commercial valuations and Savills Investment Management prior to becoming RICS qualified in 2015. Following qualification she worked in a hotel valuation advisory role at Savills prior to joining Savills Investment Management in 2017. She has also completed the Investment Management Certificate (IMC) exam.

Charities Property Fund Team Continued

Clients include pension funds, insurance companies, endowments, charities and family offices on whose behalf we invest in office, retail, industrial, residential and alternative sectors in property.

Savills Investment Management is majority owned by the Savills Group, a FTSE 250 company and international real estate consultancy. Savills Investment Management retains operational independence from the wider Savills Group to enable us to act on a best execution basis on behalf of our clients.

Finance

Esme Dowling
Senior Fund Finance Manager

Esme is a Senior Fund Finance Manager, responsible for financial reporting and analysis, and management of administrators. Esme joined Savills IM in October 2020 and previously worked at Blackrock, AXA IM, CBRE Global Investors and ING Real Estate, managing the fund finance function for a number of UK and European property funds.

Esme is a graduate of Glasgow University and started her career at Deloitte LLP in London, where she trained to became a Chartered Accountant (FCA) with the Institute of Chartered Accountants in England and Wales.

Adam Ford
Associate Fund Finance Manager

Adam is an Associate Fund Finance Manager, responsible for financial reporting and analysis, and management of administrators.

Adam graduated from Durham University with a degree in French and Spanish in 2018 before joining the audit department at Moore Kingston Smith LLP where he qualified as a chartered accountant (ACA) with the Institute of Chartered Accountants in England and Wales.

Miranda Robinson
Associate Fund Finance Manager

Miranda is an Associate Fund Finance Manager, responsible for financial reporting and analysis, and management of administrators.

Miranda joined Savills Investment Management in July 2025 from Colmore where she worked in the Clean Energy and Infrastructure Fund Accounting team. Prior to this she worked at BDO LLP within the Audit department, where she qualified as a Chartered Accountant (ACA) with the Institute of Chartered Accountants in England and Wales. She graduated from University of Birmingham in 2016 with a degree in Mathematics.

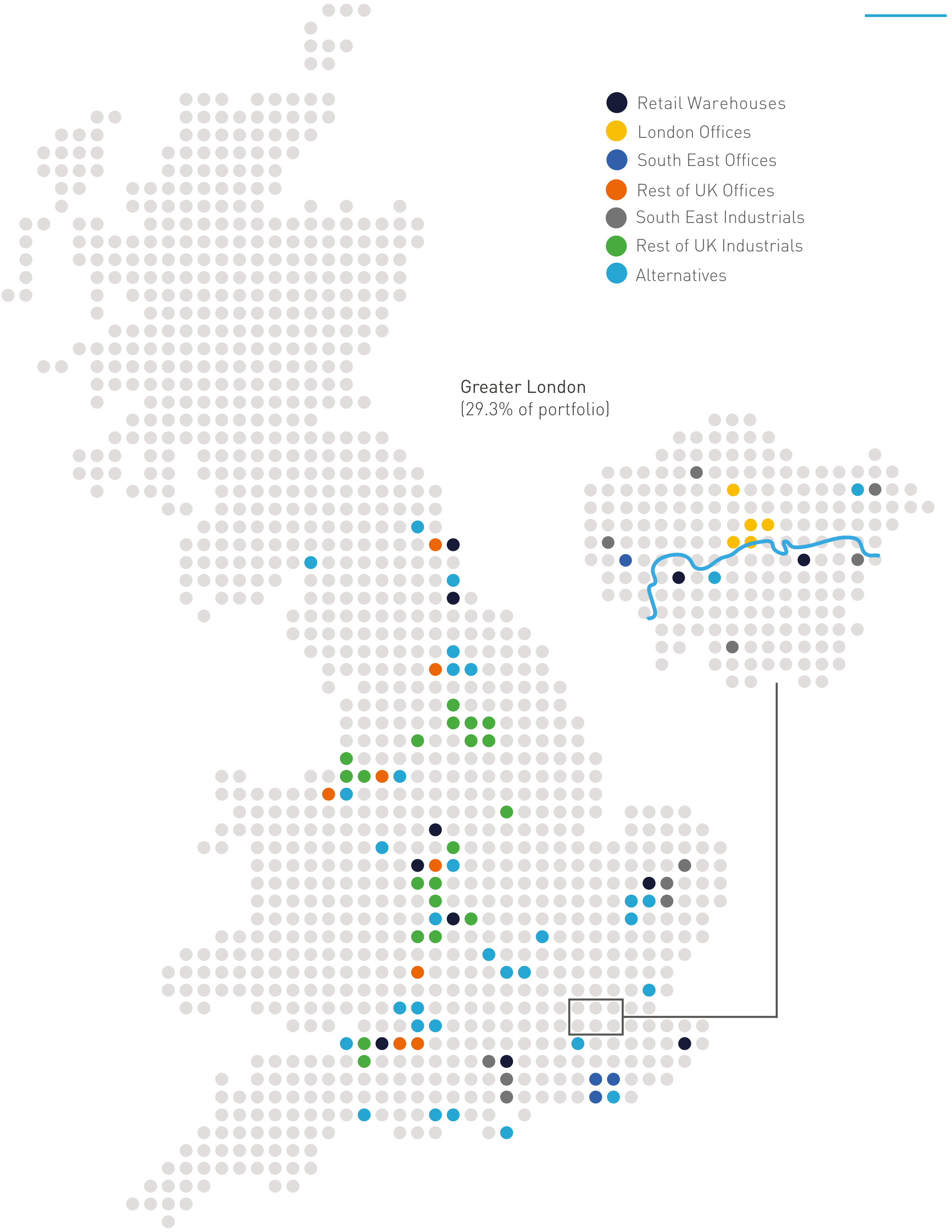
Investor Relations

Sophia Pitts
Investor Relations Manager

Sophia is responsible for the marketing of CPF and investor relations with both existing and potential investors. Her day to day role involves investor communication, fund dealing, reporting and event management. She is also responsible for the Fund website and marketing documents.

Sophia joined Savills Investment Management in June 2025. Prior to this, she spent 3 years at a global recruitment agency sourcing Investor Relations and Fundraising professionals for Alternative Asset Managers and Hedge Funds in the UK and the US. Sophia graduated from University of Durham with a BA in Classics.

Map of Properties



Charities Property Fund

List of Properties

Retail Warehouses

	Property	Principal Tenants	Annual Rent As at 24 Jun 2025 £	Lease Expiry (Break)
1	Basingstoke	B&Q Limited	1,113,000	2037
2	Bristol	Pets at Home, McDonald's	378,320	2027
3	Bury St Edmunds	Matalan	305,000	2029
4	Canterbury	Dunelm, Dreams	508,745	2026 - 2031 (2026)
5	Gateshead	The Range, Sports Direct	950,000	2025 - 2030
6	London SE7 (Greenwich)	Aldi, Next, Primark, Wren Kitchens	2,349,113	2030 - 2037 (2032)
7	Middlesbrough	B&M	239,180	2025
8	Redditch	Aldi, Pets at Home, One Beyond, Iceland, Home Bargains, Costa, Sue Ryder, Burger King	1,076,278	2026 - 2041 (2028 - 2036)
9	Twickenham	Currys, Wickes	951,500	2032
10	Uttoxeter	B&Q, Shoe Zone Retail Ltd, Poundland, Pets at Home, Argos, B&M, KFC, Majestic Wine, Costa, Greggs, Private Individuals	892,609	2026 - 2034 (2028 - 2029)
11	Wolverhampton	JD Sports Gyms, Iceland Foods	475,000	2032 - 2034 (2027)
		Total, Retail Warehouses	**9,238,745**	


Twickenham


London, SE7

The Charities Property Fund | Report & Accounts 2025

List of Properties

London Offices

	Property	Principal Tenants	Annual Rent As at 24 Jun 2025 £	Lease Expiry (Break)
12	London E1 (Whitechapel)	The British Diabetic Association	1,126,173	2026
13	London EC1 (Farringdon)	Macmillan Publishers International, Projection Artworks	2,933,758	2033 - 2034 (2026 - 2029)
14	London EC2 (Shoreditch)	Work Life	949,914	2031
15	London N1 (Shoreditch)	Sunshine Partners, Spiers + Major, Sharp End Partnership, Capital Integration Systems, Cignal Infrastructure	502,645	2025 - 2028 (2026)
16	London NW5 (Kentish Town)	Brinkworth Productions	212,198	2027
		Total, London Offices	**5,724,688**	

South East Offices

	Property	Principal Tenants	Annual Rent As at 24 Jun 2025 £	Lease Expiry (Break)
17	Brighton (Aspect House)	NHS, Near Light, Football 1X2, Page Group Plc, Jarltech Europe GMBH, Teladoc Health-UK, FRF Advisory Trading	770,156	2026 - 2032 (2027 - 2029)
18	Brighton (International House)	Mandoths Restaurants, Booker Retail Partners, Itad, Lucy and Yak	449,555	2027 - 2035 (2028 - 2030)
19	Brighton (Queens Road)	E-Techzone, NEB Ventures, WRAP Business & Leisure	196,000	2025 - 2029
20	Staines	Givaudan UK	127,000	2028
		Total, South East Offices	**1,542,711**	


London, N1


Brighton

List of Properties Continued

Rest of UK Offices

Property		Principal Tenants	Annual Rent As at 24 Jun 2025 £	Lease Expiry (Break)
21	Altrincham	Bolling Investments	368,567	2033 (2028)
22	Bath	Zerya Evin, Cobra Coffee, Ladbrokes, EIP Europe, Abel & Imray	472,720	2027 - 2030 (2026 - 2028)
23	Birmingham	Secretary of State for Levelling Up, Housing and Communities	891,672	2032 (2027)
24	Bristol	Films at 59	387,550	2026
25	Cheltenham	Abercrombie & Kent, Novus Renewable Services	446,326	2027 - 2029
26	Chester	The Secretary of State for Communities and Local Government	437,615	2026
27	Ilkley	Modus UK, Smartcredit	519,745	2028 - 2033
28	Newcastle-upon-Tyne	Ryder Architecture	359,884	2033
		Total, Rest of UK Offices	**3,884,079**	

South East Industrials

Property		Principal Tenants	Annual Rent As at 24 Jun 2025 £	Lease Expiry (Break)
29	Basingstoke	Levertonhelm	522,800	2042
30	Basingstoke	Vodafone, Berry Bros & Rudd	657,654	2025 - 2042
31	Belvedere	Allied Hygiene Systems	729,992	2043 (2033)
32	Bury St Edmunds	Videndum Production Solutions	679,673	2032
33	Bury St Edmunds	Unipart Logistics	1,068,749	2044 (2034)
34	Chigwell	Sytner	486,607	2056 (2036)
35	Epsom	Screwfix, Brewers, Eurocell Building Plastics, HFD, C.Brewer & Sons, Betterstone Self Storage, AWE Europe, ME Group	1,059,028	2027 - 2034 (2026 - 2028)
36	Hayes	Tempur UK	674,638	2026
37	London NW9	VW Group	275,000	2031
38	Portsmouth	SMR Automotive Mirrors UK	678,845	2034 (2029)
39	Thetford	Fedex	99,999	2025
		Total, South East Industrials	**6,932,985**	

List of Properties Continued

Rest of UK industrials

Property		Principal Tenants	Annual Rent As at 24 Jun 2025 £	Lease Expiry (Break)
40	Birmingham	Tradechoice Distribution	310,005	2025
41	Bristol	Vacant (under offer to Element)	-	-
42	Bristol	Cubico UK, Screwfix, Tastetech, Mon Motors, The South Western Electricity Board	618,471	2025 - 2039 (2031)
43	Daventry	G2S, Cummins, Consumer Champion Group	1,071,067	2025 - 2030 (2026 - 2028)
44	Huddersfield	Hoco Parts UK, Automint	406,731	2031 (2026)
45	Leeds	Yusen Logistics UK	420,000	2031 (2026)
46	Liverpool	Amazon UK	632,206	2026
47	Liverpool	Kammac	893,750	2033
48	Normanton	Kelling Group	434,000	2032
49	Normanton	United Autosports	324,581	2029
50	Normanton	Kongsberg Actuation Systems	468,064	2038 (2033)
51	Normanton	PNS UK	236,665	2036
52	Nottingham	Turbine Surface Technologies	433,843	2026
53	Redditch	Amazon UK	754,164	2026
54	Tamworth	Speedy Asset Services	1,300,000	2029
55	Tewkesbury	Hydro Building Systems	800,000	2032
56	Tewkesbury	Idemia UK	270,000	2030
57	Wakefield	Wolseley UK	271,225	2031
58	Warrington	Eddie Stobart	550,000	2033
59	Wednesbury	Vacant	-	-
		Total, Rest of UK Industrials	**10,194,772**	


Leeds

Bristol

List of Properties Continued

Alternatives

	Property	Principal Tenants	Annual Rent As at 24 Jun 2025 £	Lease Expiry (Break)
	Leisure			
60	Bath (1-3 Westgate Buildings)	Stable Bar & Restaurant, DPL Partnership	192,697	2039 (2029)
61	Carlisle	Sports Direct	160,000	2030
62	Harrogate	Five Guys, Mitchells & Butlers, Palagander, Marstons	380,982	2031 - 2041 (2031)
63	Rayleigh	Virgin Active	464,000	2033
		Total, Leisure	**1,197,679**	
	Hotels / Student / Serviced Apartments / Supported Housing / Education			
64	Bath (5-10 Westgate Buildings)	Travelodge, Sports Direct, Sally Salon, Creams Café	767,424	2027 - 2042 (2028)
65	Bath	Westgate Apartments, Tesco	286,003	2027 - 2038 (2033)
66	Bath	TS Apartments	153,793	2029
67	Brighton	Leonardo Hotels Management UK	2,274,292	2042
68	Cambridge	Travelodge Hotels	1,632,964	2048
69	Dorchester	Inclusion Housing Community Interest Company	213,846	2033
70	London, SW11	Travelodge Hotels	1,657,738	2049
71	Manchester	Edyn, Private Individuals, CDP	717,347	2025 - 2046
72	Nailsea	Inclusion Housing Community Interest	161,920	2032
73	Newcastle-upon-Tyne	easyHotel UK, The Valley Restaurants	522,720	2037 - 2042 (2027 - 2037)
74	Oxford	D'Overbroeck's	514,662	2047
75	Oxford	D'Overbroeck's	1,813,250	2047
76	Poole	NHS, Trek, Subway, Costa Coffee, AMPD, Travelodge Hotels	870,502	2031 - 2051 (2026)
77	Poole	Inclusion Housing Community Interest	131,687	2032
78	Shanklin	Vectis Housing Association	103,957	2041
		Total, Hotels / Student / Serviced Apartments / Supported Housing / Education	**11,822,105**	


Brighton


Poole

List of Properties Continued

Alternatives

	Property	Principal Tenants	Annual Rent As at 24 Jun 2025 £	Lease Expiry (Break)
	Car Showrooms			
79	Bury St Edmunds	Vindis - Skoda	130,000	2042
80	Camberley	Volkswagen - Audi	333,765	2026
81	Chester	Rybrook - Volvo	271,754	2036
82	Chigwell	Sytner - BMW & Mini	788,425	2056 (2026)
83	Fenstanton, Cambridge	Vindis - Bentley	140,000	2042
84	Harrogate	Volkswagen - VW	340,000	2027
85	Northampton	Vindis - VW Commercial	350,000	2042
86	Solihull	Rybrook - McLaren & Rolls Royce	356,336	2036
87	Stockton-on-Tees	Volkswagen - Audi	396,426	2027
88	Worcester	Sytner - BMW & Mini	699,715	2036
		Total, Car Showrooms	**3,806,421**	
	Roadside			
89	Harrogate	BP, M&S	230,415	2035
90	Stow on the Wold	BP, M&S	236,816	2033
91	Telford	Welcome Break - Shell, Waitrose, WH Smith, Burger King, Starbucks, Krispy Kreme, Days Inn	1,147,033	2027
		Total, Roadside	**1,614,264**	
		Total, Alternatives	**18,440,469**	
		Total, portfolio	**55,958,449**	


Chester


Worcester

Charities Property Fund
Manager and Trustee's Report
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Map of Properties
Retail Warehouses
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Rest of UK Industrial
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Portfolio Statement

At 24 June 2025

Portfolio of Investments	
Properties valued at greater than £15m	
Basingstoke, Winchester Road	Hayes, Caxton Point, Printing House Lane
Battersea, Travelodge, 200 York Road	London EC1, The Smithson, 6-9 Briset Street
Belvedere, Allied Hygiene, 5 Centurion Way	London EC2, Rivington House, 82 Rivington Street
Brighton, Jurys Inn Hotel, Stroudley Road	London SE7, Brocklebank Retail Park, Greenwich
Bury St Edmunds, Unipart, Suffolk Park	Oxford, 333 Banbury Road
Cambridge, Travelodge, Newmarket Road	Tamworth, Emperor Point
Daventry, Sopwith Way	Telford, Welcome Break Service Station, Junction 4
Epsom, Epsom Trade Park, Units 450A and 450B	Twickenham, Apex Retail Park, Hampton Road West
Gateshead, Metro Park West, Metro Park West	
Valuation £m (percentage of total gross assets)	£434.400 (44.66%)
Properties valued at between £10m to £15m	
Basingstoke, Gemini, Hamilton Close	London E1, 122 Back Church Lane
Basingstoke, Leverton Clarke, Knights Park	Manchester, Saco House, Minshull Street, Piccadilly
Bath, 5-10 Westgate Buildings	Oxford, D'Overbroeck's, 376 Banbury Road, Summertown
Birmingham, The Pavilions, 3010 & 3020	Poole, Lifeboat Quay, West Quay Road
Bristol, Wilverley Trading Estate, Bath Road	Portsmouth, SMR Unit, Castle Trading Estate
Bury St Edmunds, Vitec, Easlea Road Moreton Hall	Redditch, Amazon, 9 Hedera Road, Ravensbank
Chigwell, BMW & MINI, Langston Road, Loughton	Redditch, Trafford Retail Park, Ipsley Street
Chigwell, Crystal Building, Langston Road, Loughton	Tewkesbury, Unit 5300, Severn Drive
Liverpool, Amazon Unit, Hornhouse Lane	Uttoxeter, Dovefields Retail Park
Liverpool, Kammac Unit, Deacon Park, Hornhouse Lane	Worcester, BMW & Mini, Knightsbridge Park
Valuation £m (percentage of total gross assets)	£245.200 (25.21%)
Properties valued at between £5m to £10m	
Bath, Westpoint, James Street	Newcastle upon Tyne, EasyHotel, Proctor House
Birmingham, Emerald Point	Normanton, Kelling Unit, Foxbridge Way
Brighton, Aspect House, 84-87 Queens Road	Normanton, Kongsberg Unit, Foxbridge Way
Brighton, International House, Queens Road	Normanton, United Autosports, Trident
Bristol, 11 Poplar Way East Cabot Park	Northampton, Volkswagen Commercial, Gambrel Road
Bristol, Pets at Home & McDonalds, Bath Road	Nottingham, TST Unit, Site 13A Little Oak Drive
Canterbury, Wincheap Retail Park, Wincheap	Rayleigh, 200 Rayleigh Road
Cheltenham, St Georges House, Ambrose Street	Stockton on Tees, Audi, Brooklime Avenue
Huddersfield, Units 1&2 Bradley Junction	Wakefield, Kenmore Road, Kenmore Road
Leeds, Yusen Logistics, 20 Cross Green	Warrington, Eddie Stobart, Appleton Thorn Trading Estate
London N1, Paulton House, 8 Shepherdess Walk	Wednesbury, Unit 3 Steelmans Road
London NW5, The Piano Factory, Perren Street	Wolverhampton, Units 1-3 Phoenix Retail Park
Valuation £m (percentage of total gross assets)	£169.650 (17.44%)

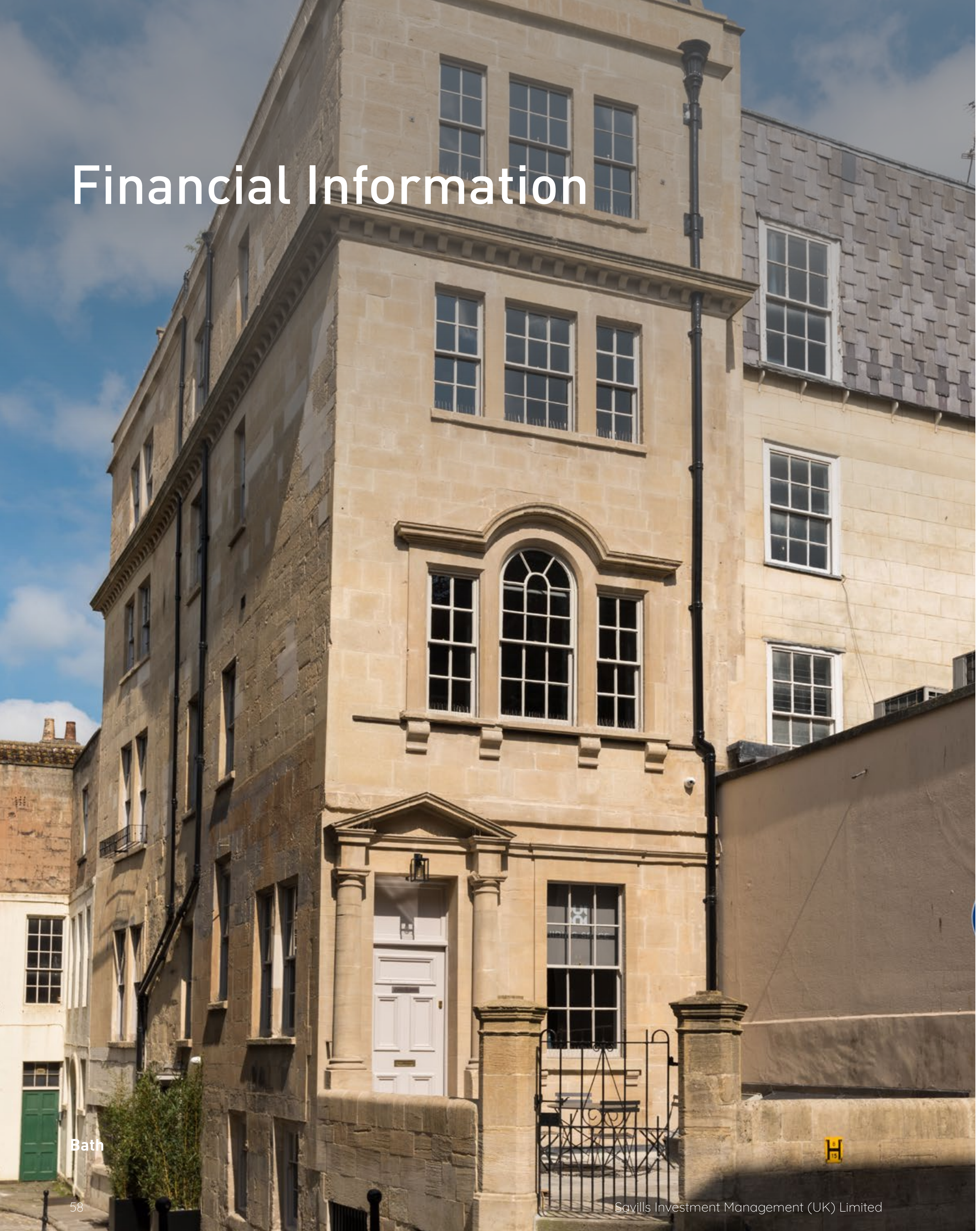
Portfolio Statement

At 24 June 2025

Portfolio of Investments	
Properties valued at between £2.5m to £5m	
Altrincham, Lookers House, Etchells	Harrogate, Audi, St James Business Park
Bath, 1-3 Westgate Buildings	Harrogate, BP and M&S, Leeds Road
Bath, 4 Westgate Buildings, 4 Westgate Buildings	Ilkley, Mayfield Business Park, Lower Railway Road
Bristol, Whiteladies House, 51-55 Whiteladies Road	London NW9, VW / Citygate Van Centre, Capitol Way
Bury St Edmunds, Matalan, Easlea Road, Moreton Hall	Middlesbrough, B&M Unit, Parkway Centre
Camberley, 507 London Road	Newcastle upon Tyne, Cooper's Studios, 14-18 Westgate Road
Chester, Civil Justice Centre, Trident House	Normanton, PNS Unit, Trident Park
Chester, Volvo, Sealand Road	Solihull, Rolls Royce & McLaren, Stratford Road
Dorchester, 4 Prince of Wales Road	Stow on the Wold, Fosse Way
Harrogate, 17 - 23 Parliament Street	Tewkesbury, Ashchurch Way, Ashchurch Business
Valuation £m (percentage of total gross assets)	£82.350 (8.47%)
Properties valued at between £0m to £2.5m	
Bath, 9-10 Trim Street	Nailsea, Clifford House, 59 High Street
Brighton, 82-83 Queens Road	Poole, 80 Fernside Road
Bury St Edmunds, Skoda, Dettingen Way	Shanklin, Vectis Housing, Isle of Wight, Sunny Bay
Carlisle, SDI Sports, Currock Road	Staines, Magna House, 76-80 Church Street
Fenstanton, The Lakes Business Park	Thetford, TNT Unit, Fisons Way Industrial Estate
Valuation £m (percentage of total gross assets)	£19.790 (2.03%)
Total value of property holdings	£951.390 (97.82%)

	Valuation £000	Percentage of total gross assets
Portfolio of investments	**£951,390**	**97.82%**
Other assets	**£21,230**	**2.18%**
Gross assets	**£972,620**	**100.00%**

Financial Information



Bath

Financial Information

Expense Ratios

	Total Expense Ratio	Property Expense Ratio	Transaction Cost Ratio
24 June 2025	0.70%	0.29%	0.12%
24 June 2024	0.69%	0.18%	0.07%

The total expense ratio (TER) of the Fund is the ratio of the Fund's total operating costs to its average net assets for the 12 months prior to the balance sheet date. Operating costs are specifically those costs associated with operating the Fund itself (excluding financing costs) and do not include additional costs associated with the day to day ownership of the assets. The property expense ratio (PER) is the ratio of costs associated with the assets which are not recoverable from tenants to its average net assets for the 12 months prior to the balance sheet date. The transaction cost ratio (TCR) of the Fund is the ratio of all professional fees and other costs associated with the purchase and sale of property to the Fund's average net assets for the 12 months prior to the balance sheet date.

The TER has remained stable year on year in spite of the NAV reducing slightly as the primary contributor to this ratio is the Management Fee, which is calculated as a percentage of the NAV. The PER in the prior year is slightly suppressed due to a rates refund received. Two industrial voids in the current year have led to increased vacant property costs borne by the Fund. These factors, coupled with a reduced NAV, lead to the increased PER ratio in the current year. The TCR has increased as we have disposed an increased number of assets during the year and have therefore incurred increased transaction costs.

Portfolio Turnover Rate

	Portfolio Turnover Rate
24 June 2025	8.56%
24 June 2024	5.25%

The portfolio turnover rate gives an indication of how frequently the assets are sold by the Fund. It is calculated by dividing the total disposal value over the Fund's average net assets for the 12 months prior to the balance sheet date. The portfolio turnover rate has increased as the number of sales during the period has increased.

Distribution Yield

	Distribution Yield
24 June 2025	4.8%
24 June 2024	6.5%

The distribution yield represents the total distribution per unit over the period as a percentage of the net asset value per unit as at the end of the period. The decrease is primarily due to a one off lease surrender received in December 2023 from Tesco in Gateshead where the Fund received £16.9 million in return for releasing them from their obligations. This was distributed to investors in February 2024.

Charities Property Fund

Financial Information Continued

Annualised Performance

	1 Year*	3 Years**	5 Years***
24 June 2025	7.5%	-2.1%	4.4%
24 June 2024	0.6%	2.5%	2.6%

* total return for twelve months to 24 June
** total return annualised over a three year period
*** total return annualised over a five year period

Source: AREF/MSCI All Balanced Property Funds Index
Basis: Capital NAV-to-NAV with gross income reinvested

Change in Net Assets Per Unit

	24 June 2025 (p)	24 June 2024 (p)	24 June 2023 (p)
Opening net asset value per unit	116.60	123.51	148.94
Return before operating charges*	9.84	1.87	(18.62)
Operating charges	(1.19)	(1.04)	(1.22)
Return after operating charges*	8.65	0.83	(19.84)
Distributions	(5.84)	(7.74)	(5.59)
Closing net asset value per unit	119.41	116.60	123.51
*after direct transaction costs	0.14	0.09	0.09

The above table is calculated using the average number of units in issue during the year to June.

Investor Analysis

Holding as at 24 June 2025	Number of beneficial owners	Total percentage holding %
Less than 0.01%	606	2.63
0.01% but less than 0.05%	436	9.98
0.05% but less than 0.10%	99	6.80
0.10% but less than 0.50%	81	18.45
0.50% but less than 1.00%	16	12.28
1.00% but less than 2.00%	17	22.50
2.00% but less than 4.00%	5	12.58
Greater than 4.00%	3	14.78
Total number of investors		**1,263**
Total number of units in issue at the end of the year at 24 June 2025		**791,530,166**
Percentage held by the largest investor		**5.27**

Holding as at 24 June 2025	Total percentage holding %
Top 10 largest investors	30.86
Top 25 largest investors	49.87
Top 50 largest investors	66.25
Top 100 largest investors	78.11

Fund History and Distribution

Fund History

Net Asset Value/Fund Size	Date	Net Asset Value (£)	Units in Issue	Net Asset Value Per Unit (p)
	24 June 2021	1,162,871,097	905,961,890	128.36
	24 June 2022	1,451,539,886	959,272,453	151.32
	24 June 2023	1,125,260,973	923,802,080	121.81
	24 June 2024	993,703,075	872,993,000	113.83
	24 June 2025	945,116,163	791,850,907	119.36

Price and Income History	Year Ended	Highest Buying Price (p)	Lowest Selling Price (p)	Net Income Per Unit (p)
	24 June 2021	128.32	119.94	5.07
	24 June 2022	152.10	128.42	5.19
	24 June 2023	148.20	123.09	5.51
	24 June 2024	125.03	116.17	7.60
	24 June 2025	122.89	116.20	5.74

Distribution

		2025		2024	
Distribution Number	Distribution Period	Distribution Per Unit (p)	Date Paid	Distribution Per Unit (p)	Date Paid
1	25 June to 24 September	1.43	15/11/24	1.48	15/11/23
2	25 September to 24 December	1.43	14/02/25	3.31	15/02/24
3	25 December to 24 March	1.46	15/05/25	1.44	15/05/24
4	25 March to 24 June	1.42	15/08/25	1.37	15/08/24
Total		**5.74**		**7.60**	

The Fund distributes all available income for each quarter and therefore does not need to apply an equalisation policy.

Statement of Charity Trustees' Responsibilities in Respect of the Trustees' Annual Report and the Financial Statements

The Charity Trustees under the Charities Act are the Manager, Savills Investment Management, and Citibank UK Limited. Citibank UK Limited also acts as Corporate Trustee.

Under charity law, the Charity Trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Charity Trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Fund, of the net income and the net capital gains of the Fund for the financial year, and of the movements in the net assets of the Fund between their position at the beginning of the financial year and their position at the end of that year.

In preparing these financial statements, generally accepted accounting practice entails that the Charity Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the Scheme and Scheme of Particulars of the Fund, subject to any material departures disclosed and explained in the financial statements;
- assess the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Charity Trustees are required to act in accordance with the Scheme of Particulars of the Fund, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the Fund's transactions and disclose at any time, with reasonable accuracy, the financial position of the Fund at that time, and to enable the Charity Trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities.

The Charity Trustees are responsible for the maintenance and integrity of the financial and other information included on the Fund's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Charity Trustees' Responsibilities in Respect of the Trustees' Annual Report and the Financial Statements

Statement of the Manager's Responsibilities

In addition to its responsibilities as a Charity Trustee set out above, under the Scheme of Particulars of the Fund the Manager is responsible for:

- preparing financial statements which comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014; and
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

Savills Investment Management (UK) Limited
16 October 2025

Statement of the Corporate Trustee's Responsibilities

In addition to its responsibilities as a Charity Trustee set out above, under the Scheme and Scheme of Particulars of the Fund the Corporate Trustee is responsible for:

- the safekeeping of all property of the Fund which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.
- to ensure that the Fund is managed and operated in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Financial Services and Markets Act 2000, as amended, and the Scheme of Particulars, concerning: the pricing of and dealing into the Fund; the application of income of the Scheme; and the Fund investment portfolio and borrowing activities.

Citibank UK Limited
London
16 October 2025

Independent Auditor's Report

Independent Auditor's Report to the Charity Trustees and Unitholders of the Charities Property Fund ('the Fund')

Opinion on the Financial Statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 24 June 2025 and of its net income and the net capital gains for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Scheme and Scheme Particulars of the Fund; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements of The Charities Property Fund ("the Fund") for the year ended 24 June 2025 which comprise the Statement of Total Return and Change in Net Assets Attributable to Unitholders, Balance Sheet, Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Fund in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions Related to Going Concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report Continued

Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion;

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Charity Trustees` Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to Which the Audit was Capable of Detecting Irregularities, Including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with Laws and Regulations

Based on:

- Our understanding of the Fund and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining an understanding of the Fund's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, the Charities Act 2011 and the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the IMA in May 2014 (the "SORP").

The Fund is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to include legislation relevant to taxation and property matters.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Independent Auditor's Report Continued

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Fund's policies and procedures relating to:
  - o Detecting and responding to the risks of fraud; and
  - o Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of control, investment property valuations and revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, in particular journal entries with unusual account combinations affecting revenue, by agreeing to supporting documentation;
- Testing a sample of journal entries throughout the year which did not meet a defined risk criterion, by agreeing to supporting documentation (to address variability within management override); and
- Assessing significant estimates made by management for bias, in particular in relation to the assumptions, key inputs and judgements adopted in valuing the investment property.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Fund's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Fund's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Levy
BDO LLP, statutory auditor
55 Baker Street, London, W1U 7EU

16 October 2025

BDO LLP is eligible for appointment as auditor of the Fund by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Total Return and Change in Net Assets Attributable to Unitholders

	Note	Year ended 24 June 2025 £		Year ended 24 June 2024 £	
Net capital gains/(losses)	3		22,606,171		(63,564,381)
Income	4	57,249,278		78,394,992	
Expenses	5	(9,397,771)		(8,838,361)	
Net income before finance costs		47,851,507		69,556,631	
Finance costs – interest and other	6	(669,484)		(573,226)	
Net income			47,182,023		68,983,405
Total return before distributions			69,788,194		5,419,024
Finance costs – distributions	7		(47,046,321)		(67,786,174)
Change in net assets attributable to unitholders from investment activities			22,741,873		(62,367,150)
Statement of change in net assets attributable to unitholders					
Opening net assets attributable to unitholders			993,703,075		1,125,260,973
Net amount payable on redemption of units			(71,328,785)		(69,190,748)
Change in net assets attributable to unitholders from investing activities			22,741,873		(62,367,150)
Closing net assets attributable to unitholders			945,116,163		993,703,075

The accompanying notes form part of these financial statements.

Balance Sheet

	Note	As at 24 June 2025 £		As at 24 June 2024 £	
Assets					
Fixed assets					
Investment properties	8	952,168,706		1,009,108,795	
			952,168,706		1,009,108,795
Current assets					
Debtors	9	11,020,192		10,750,274	
Cash at bank		9,430,935		28,692,401	
			20,451,127		39,442,675
Total assets			972,619,833		1,048,551,470
Less: current liabilities					
Creditors	10	15,499,773		42,069,526	
Distribution payable		11,225,278		12,000,162	
			26,725,051		54,069,688
Less: non current liabilities					
Finance lease liability	11	778,619		778,707	
			778,619		778,707
Total liabilities (excluding net assets attributable to unitholders)			27,503,670		54,848,395
Net assets attributable to unitholders			945,116,163		993,703,075

The accompanying notes form part of these financial statements.

The financial statements were approved by the Board of Directors of the Manager on 16 October 2025 and were signed on its behalf by

Harry de Ferry Foster
Director
16 October 2025

Cash Flow Statement

	Year ended 24 June 2025 £	Year ended 24 June 2024 £
Cash flow from operating activities		
Reconciliation from net operating income to net cash flows from operating activities		
Net income before finance costs	47,851,507	69,556,631
Bank interest received	(11,917)	(14,362)
Tenant incentives	(476,794)	(696,100)
(Increase)/decrease in trade and other receivables	(316,352)	1,450,566
(Decrease) in trade and other payables	(1,017,046)	(1,373,368)
Net cash inflow from operating activities	46,029,398	68,923,367
Cash flows from investment activities		
Purchase of properties and development expenditure	(1,291,021)	(6,480,341)
Sale of properties	81,008,797	60,528,435
Payments to tenant for future capital expenditures (Note 10)	(1,796,909)	(2,736,755)
Bank interest received	11,917	14,362
Net cash inflow from investment activities	77,932,784	51,325,701
Cash flows before financing activities	123,962,182	120,249,068
Cash flows from financing activities		
Repayment of obligations under finance leases	(45,791)	(45,791)
Amounts received on creation of units	20,714,963	28,725,130
Amounts paid on redemption of units	(115,799,546)	(89,494,014)
Borrowing costs and interest (excluding finance lease)	(272,069)	(222,611)
Distributions paid	(47,821,205)	(69,801,937)
Net cash (outflow) from financing activities	(143,223,648)	(130,839,223)
Net (decrease) in cash at bank for the year	(19,261,466)	(10,590,155)
Cash at bank at the start of the year	28,692,401	39,282,556
Cash at bank at the end of the year	9,430,935	28,692,401

The Fund does not hold any instrument that qualifies as cash equivalents both in the current and prior year.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 Accounting Policies

a) Basis of Accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with the requirement of the Charities Act 2011 and the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the IMA in May 2014 (the "SORP"), other than as set out in (e) below.

The Fund is exempt from complying with the Charities Statement of Recommended Practice as per the guidance under paragraph 22.4 of that document.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

Going Concern

These financial statements have been prepared on a going concern basis which the Manager considers to be appropriate for the following reasons:

The Fund requires collection of approximately 19.5% of rent per quarter to cover the property and operation costs for the period. The Manager considers that even in a severe-but-plausible scenario, this level of rental income would be exceeded given the diversity of the Fund's property portfolio and historic strength of tenants' covenants. At the date of approval of these financial statements 99.82% of the Q2 2025 rents have been collected.

Redemptions are payable in line with the terms of the Scheme Particulars which allows the Manager to defer redemptions for a period of up to 12 months from the Dealing Date or for a period to 24 months from the Dealing Date where the redemption requests sought represent an aggregate value of 10% or more of the Net Asset Value of the Fund. At signing the Fund has deferred redemptions as follows: £10.9m and 26m units relating to June-25 dealing, 5.3m units relating to September-25 dealing.

CPF has not been immune to the impact of inflation and interest rates prevalent in the wider investment markets during the last 12 months. The Fund has strategically held a long tail of smaller value, easily realisable assets for such circumstances and has thus been able to generate cash via disposals, without the need to negatively impact the quality of the overall portfolio. The Fund traded at every valuation date during the year. The individual number of investors requesting redemptions continues to decrease each quarter and the Manager is pleased to report that sentiment concerning applications into the Fund appears more positive. The Manager has seen and continues to see increased investment appetite in 2025.

As at 24 June 2025, the Fund held £9.4 million cash, of which £3.8 million was income and £5.6 million was capital cash. As at the date of approval of these financial statements, the Fund holds £25.3 million. Subsequent to the Balance Sheet date, the Fund has sold two assets for gross consideration of £27m (see Note 16 Post Balance Sheet Events).

The Fund has a £20 million fixed revolving credit facility with Lloyds Plc, which currently remains undrawn and matures in 2027, with two one-year extension options. Refer to Note 6 for further details. As the Fund has no drawn debt, it is to some extent protected from fluctuations in interest rates.

With the above taken into account, the Manager considers that the Fund is able to meet its liabilities as they fall due for the 12-month period from the date of signing and has therefore prepared these financial statements on a going concern basis.

Notes to the Financial Statements Continued

b) Investment Properties

The direct property investments, which comprise properties held for rental, are recognised at fair value, being market value as defined in the Appraisal and Valuation Manual prepared by the Royal Institution of Chartered Surveyors, and in accordance with the Scheme Particulars. The interests in property are valued on a quarterly basis and were last valued by Knight Frank on 24 June 2025. The aggregate surplus or deficit on revaluation is taken to the Statement of Total Return.

Costs capitalised in respect of properties under development include acquisition costs of land and buildings, costs incurred in bringing the property to its present location and condition in accordance with FRS 102. Investment properties in the course of development are also held at fair value.

Properties, for which unconditional exchange of contracts occurs during the period, are accounted for as acquisitions or disposals within that period. Conditional exchanges are accounted for as acquisitions or disposals only when all substantive conditions have been met.

Investment properties acquired under finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the net present value of the minimum lease payments. The investment properties acquired under finance leases are subsequently carried at fair value plus an adjustment for the carrying amount of the finance lease obligation (see note 8). The corresponding rental obligations, net of finance charges, are included in the creditors balance (see note 11). The associated finance charges are charged to the Statement of Total Return.

c) Basic Financial Instruments

Debtors and Creditors

Debtors are recognised initially at transaction price. Creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of debtors. These assets/liabilities are discounted where the time value of money is material.

Cash at Bank

Cash at bank comprises cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Fund's cash management are included as a component of cash for the purpose only of the cash flow statement. No bank overdrafts were utilised during the year.

Offsetting policy

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, the Fund:

(a) currently has a legally enforceable right to set off the recognised amounts in accordance with the Scheme Particulars; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

d) Classification of a Puttable Instrument as Liability or Equity

A redeemable unit is a puttable instrument that meets the definition of a liability but is classified as equity under the puttable exception if it represents the residual interest in the net assets of the Fund.

Redeemable units can be put back to the Fund at any time, unless deferred by the Manager in line with the Scheme Particulars, for cash equal to a proportionate share of the Fund's trading net asset value.

The Fund has a policy to distribute income quarterly in accordance with the Scheme Particulars. Consequently, this mandatory distribution obliges the Fund to make payments to unitholders before liquidation and hence, the value of these redeemable units (net assets attributable to unitholders) are classified as liability rather than equity.

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Notes to the Financial Statements Continued

e) Transaction Costs

The Fund aggregates properties in the portfolio statement on pages 56 and 57 in bands greater than 5% and does not disclose transaction costs separately in order to avoid disclosure of sensitive commercial information and does not therefore comply fully with the SORP.

f) Income and Expenses

Investment income, rental income, service charges and other expenses are recognised on an accruals basis. The periodic charge of the Manager is deducted from income.

Rents received in advance are accounted as prepaid rent within creditors.

Lease rental income is recognised over the lease term on a straight-line basis.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the lease term. As this income is not realised, it is not included in the distributions to the investors.

Income on rent reviews is recognised when the rent review is agreed.

All expenses other than transaction charges relating to the purchase and sale of investments and certain borrowing costs (see point h) are included in 'Expenses' in the Statement of Total Return. Transaction charges are treated as a capital expense and are therefore capitalised.

Other income is recognised in the period in which it is earned.

g) Lease Incentives

Benefits to lessees in the form of rent free periods, cash incentives and capital contributions are treated as a reduction in the overall return on the leases and, in accordance with FRS 102 are recognised on a straight line basis over the lease term. The total of the unamortised capital contributions and any lease incentives in place at the period end are included within the carrying value of investment properties rather than held as a separate debtor. Any remaining lease incentive balances in respect of properties disposed of are included in the calculation of profit or loss arising on disposal (Note 3).

h) Borrowing Costs

Loan arrangement fees payable and legal costs associated with the establishment of the facility are deemed to be costs which are incurred to give the Fund the opportunity to enter into the credit facility agreement. On this basis they are deemed to be capital in nature and excluded from distribution calculations.

Loan interest expense is recognised on an effective interest rate basis. This interest and the loan non-utilisation fee are deemed to be revenue in nature and are included within the distribution calculations. Further detail of these costs is included in Note 6.

i) Distributions Payable and Distribution Policy

Distributions payable are classified as finance costs and are recognised on an accruals basis. Further details of these distributions are included in Note 7. The Distribution policy is consistent with the classification of the units as liabilities.

Distributions are calculated in accordance with the Scheme Particulars.

j) Taxation

As a charity the Fund is not currently liable to UK tax on gains arising on disposals of investments, nor on income from investments, and is not liable to Stamp Duty Land Tax on purchases of property. VAT is recognised as payable upon receipt of cash.

k) Accounting Estimates and Judgements

Key sources of estimation uncertainty are the valuation of investment properties. Please refer further to note 8.

Notes to the Financial Statements Continued

2 Risk Management

In pursuing its investment objective, the Fund holds a number of properties and financial instruments. The properties comprise of direct property holdings. The following are held in accordance with the Fund's investment policy:

- Cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- Short-term borrowings used to finance investment activity and cash flows associated with the application and redemption process; and;
- Operating leases on freehold and leasehold properties.

The Manager has responsibility for monitoring the portfolio in accordance with the investment objective and seeks to ensure that investments in direct properties and individual securities also meet a risk reward profile that is acceptable.

The typical risks applicable to the Fund are market risks, liquidity risk, credit risk and sector exposure risk.

Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Fund's market risks arise from (a) interest rate movements and (b) market price movements.

a) Interest Rate Risk

The Fund's exposure to interest rate risk mainly arises from any variation in interest income earned on bank balances and interest payable on credit facilities due to volatility in interest rates. The Manager does not consider interest income earned on bank balances to be a significant risk to the Fund as it is not the intention of the Fund to maintain cash balances for the purpose of generating income, but to invest in investment properties when suitable investments become available.

In respect of interest payable on credit facilities, if a credit facility is utilised, the Manager will consider the life of the borrowing and will take appropriate action to mitigate the impact of interest rate fluctuations on a case by case basis.

b) Market Price Movements

Direct property is independently valued on a quarterly basis. These valuations depend on the valuer's professional judgement and opinion. The values given may not necessarily be achieved when the property is sold.

To mitigate against market price movements, the Manager of the Fund implements a number of controls, including the following:

Criteria	Risk Control
Rental income	Monitoring the proportion of rental income
Term of rental	Verified in advance of an acquisition or lease event (e.g. tenant change) and compared with equivalent fund types or data of the Investment Property Databank (IPD)
Quality of tenants	Verified in advance of an acquisition or lease event (e.g. tenant change) by means of the credit rating from Experian and Dun & Bradstreet and benchmarking against the IPD's Rental Information Services (IRIS)
Diversification of sectors	Monitored and constantly reviewed in advance of each property acquisition or disposal
Geographic diversification	Monitored and constantly reviewed in advance of each property acquisition or disposal

When proposing and considering a disposal, the Property Adviser and Manager will assess each property and consider factors such as current and estimated future prices, Fund liquidity, upcoming redemptions, cash held by the Fund and the portfolio profile before concluding on whether a property should be disposed of and when.

Notes to the Financial Statements Continued

b) Market Price Movements (continued)

Liquidity Risk

The key liquidity risk is the holding of direct property assets. Property by its nature is an illiquid investment and the Fund's investment properties may not be readily realisable for cash. Sales may take a number of months depending on the nature and location of the asset.

A further liquidity risk of the Fund is the redemption of units. The Manager monitors the level of redemptions, and other cash flows, on a regular basis to ensure sufficient funding is available. If insufficient cash is available to fund redemptions, the Fund can dispose of direct property holdings, utilise short term credit facilities, and defer redemptions.

The maturity analysis of the Fund's financial liabilities for the current and previous financial years is as follows. This analysis excludes rental income received in advance.

Net assets attributable to Unitholders on demand and less than one year represent deferred redemptions that must be paid within less than 12 months from the Balance Sheet date. These units have been priced at the year-end unit price given that they have not been traded at the Balance Sheet date. The price will only crystallise on the respective Dealing date when approved by the Manager per the Scheme Particulars.

As at 24 June 2025

	On demand and less than one year	More than one year	Total
Liabilities	**£**	**£**	**£**
Trade and other payables	12,923,505	-	12,923,505
Accrued expenses	432,659	-	432,659
Other liabilities	2,367,981	778,619	3,146,600
Net assets attributable to Unitholders	69,515,684	875,600,479	945,116,163
Total	85,239,829	876,379,098	961,618,927

As at 24 June 2024

	On demand and less than one year	More than one year	Total
Liabilities	**£**	**£**	**£**
Trade and other payables	39,023,216	-	39,023,216
Accrued expenses	569,466	-	569,466
Other liabilities	3,786,717	778,707	4,565,424
Net assets attributable to Unitholders	47,286,232	946,416,843	993,703,075
Total	90,665,631	947,195,550	1,037,861,181

Notes to the Financial Statements Continued

Credit Risk

Credit risk is the risk that one party to a financial arrangement will cause a financial loss for the other party by failing to discharge an obligation.

The Fund assesses the credit risk of third parties before entering into business with third parties. Debtor balances are monitored on a regular basis to mitigate the Fund's exposure to bad debts and in addition the ongoing credit strength of third parties is monitored. A detailed review is performed as debtor balances are monitored on an individual basis rather than a portfolio basis to ensure credit risk is minimised. Cash held by the Fund in bank accounts is also considered for credit risk by ensuring the bank used has an ongoing strong credit rating and that there is no risk of this defaulting.

Sector Exposure Risk

The Fund's assets are invested in direct properties. As such the Fund is exposed to sector specific risk as a result of its concentration in the property sector. The underlying risk is the ability to obtain tenants for these properties and tenants being able to fulfil lease commitments.

The Manager mitigates these risks by investing in a diversified portfolio of direct properties in different geographical areas and sectors. In addition, before purchasing a direct property or entering into a new lease, the Manager will examine the covenant strength offered and will aim to let only to tenants with good credit ratings.

ESG Risk

The Manager is aware of the risks that face the Fund in relation to climate change and other ESG risks. These risks are taken into consideration by the Manager when managing and operating the Fund's assets. The Manager continues to monitor and asses the climate and ESG risks that the Fund faces. The assessment analyses the risks posed by multiple hazards including floods, fire, storms, heat stress and water stress for example. The Manager found a low level of risk across all categories. Knight Frank (the Fund's valuers) have also confirmed they have nothing to flag in terms of high flood risk for any of the properties in the portfolio as at 24 June 2025 for the foreseeable future.

When reviewing potential investments CPF considers relevant ESG issues including environmental and social risks and opportunities, regulatory compliance, green building accreditation or value-add innovation. During the due diligence process, potentially significant ESG issues and opportunities will be analysed and identified. The Manager uses data from the Environmental Agency when assessing flood and other environmental risks and would immediately terminate acquisitions if any risks were highlighted. The Manager also evaluates and manages the impact that sustainability has on investment performance; for example this may include depreciation costs due to additional capital expenditure or the ability to let or sell a property. CPF's exposure to, and required management of ESG issues will be considered when making the final investment recommendation and decision.

Notes to the Financial Statements Continued

3 Net Capital Gains/(Losses)

The net gains/(losses) on investments during the year comprise:

	Year to 24 June 2025	Year to 24 June 2024
Investment properties	£	£
Net proceeds from disposal of properties	80,459,150	53,527,215
Carrying value of properties disposed during the year	(79,640,000)	(54,075,000)
Movement in accruals on properties disposed in prior year	503,213	65,020
Gains/(losses) realised on properties disposed	1,322,363	(482,765)
Unrealised gains on revaluation for the year	31,825,912	10,562,141
Unrealised losses on revaluation for the year	(10,542,104)	(73,643,757)
Total net capital gains/(losses) on investment properties	22,606,171	(63,564,381)

Net realised gains/(losses) on properties disposed comprised £2,894,917 (2024: £2,552,676) of realised gains and £1,572,554 (2024: £3,035,441) of realised losses.

4 Income

	Year to 24 June 2025	Year to 24 June 2024
	£	£
Rental income	56,549,184	61,504,991
Sundry income	688,177	16,875,640
Bank interest	11,917	14,361
	57,249,278	78,394,992

Sundry income primarily relates to cash received on settlement of a right of lights dispute at a London property owned by the fund. Sundry income in the prior period relates to monies received from Tesco, where the Fund received £16.9m in return for releasing them from their lease obligations.

The future aggregate minimum rentals receivables under non-cancellable operating leases are as follows:

	As at 24 June 2025	As at 24 June 2024
	£	£
Within 1 year	52,329,996	55,730,789
Later than 1 year and no later than 5 years	157,838,268	178,729,274
Later than 5 years	272,821,431	314,324,100
	482,989,695	548,784,163

Notes to the Financial Statements Continued

5 Expenses

	Year to 24 June 2025	Year to 24 June 2024
	£	£
Manager and Property Management Company fees	5,143,805	5,588,527
Corporate Trustee's fees	152,685	162,410
	5,296,490	5,750,937
Other expenses:		
Movement in bad debt provision	(40,780)	(6,445)
Insurance	129,181	64,082
Review / Audit fee	230,810	160,001
Valuation fee	150,274	173,185
Legal and professional fees	2,015,012	2,154,100
Marketing and communication costs	52,127	39,392
Vacant property and property maintenance costs	1,493,157	450,359
Advisory Committee fees	71,500	52,750
	4,101,281	3,087,424
	9,397,771	8,838,361

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Notes to the Financial Statements Continued

6 Finance Costs – Interest and Other

Finance cost during the year (excluding distributions) comprise:

	Year to 24 June 2025	Year to 24 June 2024
	£	£
Capital expenses		
Credit facility arrangement fee	97,478	71,738
Legal and professional fees	37,633	42,641
Interest expense on capital contribution	351,624	304,824
	486,735	419,203
Revenue expenses		
Non-utilisation fee	136,958	108,232
Finance lease interest	45,791	45,791
	182,749	154,023
Finance costs: interest and other	669,484	573,226

The Fund has a revolving credit facility in place with Lloyds Bank plc (the "Facility"). It was signed on 30 April 2024 for an initial period of two years and nine months, with the option to extend for a further two years. The Facility and has a maximum drawdown of £20,000,000 which may be used for the purchase of investment properties, capital expenditure and redemptions.

The credit facility arrangement fee are costs which were incurred when entering into the credit facility agreement, and are amortised over the length of the facility. Legal and professional fees are costs incurred as part of the Facility. These are amortised over the length of the facility.

The Fund has not entered into any derivative contracts in respect of interest rates.

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7 Finance Costs – Distributions

Distributions during the year comprise:

	Year to 24 June 2025	Year to 24 June 2024
	£	£
First interim distribution	12,105,166	13,371,290
Second interim distribution	11,862,393	29,651,974
Third interim distribution	11,803,814	12,702,160
Fourth interim distribution	11,225,279	12,000,162
Net distribution from income for the year	46,996,652	67,725,586
Capital distribution	49,669	60,588
Total distribution	47,046,321	67,786,174

Details of the distribution per unit are set out in the Fund History and Distribution table on page 62.

Represented by:	Year to 24 June 2025	Year to 24 June 2024
	£	£
Net income	47,132,354	68,983,405
Less: income from rent straight-lining	(621,604)	(1,676,595)
Add back: capital expenses	486,735	419,203
Provision for bank charges	(833)	(427)
Distributable capital income	49,669	60,588
Net distribution for the year	47,046,321	67,786,174

The capital distribution in year to 24 June 2025 relates to rental top-ups from a property acquisition.

Notes to the Financial Statements Continued

8 Investment Properties

Split of investment properties by freehold and leasehold:

	Freehold	Leasehold	As at 24 June 2025	As at 24 June 2024
	£	£	£	£
Value at the beginning of the year	893,846,160	114,483,841	1,008,330,001	1,118,615,000
Purchases and capital expenditure during the year	703,489	235,908	939,397	6,175,516
Carrying value of properties disposed during the year	(73,230,000)	(6,410,000)	(79,640,000)	(54,075,000)
Gain on valuation	24,162,034	7,663,878	31,825,912	10,562,142
Loss on valuation	(9,941,760)	(600,344)	(10,542,104)	(73,643,757)
Income recognised from rent straight-lining and lease incentives	(223,764)	700,558	476,794	696,100
Fair value	835,316,159	116,073,841	951,390,000	1,008,330,001
Finance lease asset	-	778,706	778,706	778,794
Carrying value at the end of the year	835,316,159	116,852,547	952,168,706	1,009,108,795

Lease incentives and straight-lined rent of £23,037,914 (2024: £25,225,725) are included in the carrying value of the investment properties above.

All the properties have been valued by external chartered surveyors, Knight Frank at £951,390,000 (2024: £1,008,330,001), in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. The historical cost of the properties is £851,775,698 (2024: £919,791,500).

The Fund holds a leasehold property with annual ground rent payable of £45,791 (2024: £45,791) subject to five-yearly rent reviews (see note 11). As the external valuation values properties on a net income basis an adjustment to the valuation equivalent to the lease liability is required.

Property Valuations

Property and property related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date. Investments in property are relatively illiquid; however the Fund has sought to mitigate this risk by investing in properties that it considers to be good quality. Our strategy is detailed on page 13.

Fair values are determined using information from a variety of sources, including:

- Independent real estate valuation experts using recognised valuation techniques. These techniques comprise the Yield Method. In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of the Fund's assets;
- Current prices in an active market for properties of a different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences; and
- Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Notes to the Financial Statements Continued

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property). In addition, development risks (such as construction and letting risks) are also taken into consideration when determining the fair value of investment properties under construction. These estimates are based on local market conditions existing at the reporting date.

Level 1: The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.

Level 2: When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

Level 3: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

All properties within the portfolio are categorised as Level 3.

Key Unobservable Inputs

The two key unobservable inputs are ERV (Estimated Rental Value) and equivalent yield. The estimated fair value of the investment properties would decrease if ERV as a percentage of passing rent decreased and increase if ERV as a percentage of passing rent increased. The estimated fair value would decrease if the yield was increased and increase if the yield was reduced.

The range of these two inputs applied in the 2025 valuations by Knight Frank is provided below:

Sector	Total Valuation Figure	ERV Range (psf)			Equivalent Yield Range		
		Max	Av	Min	Max	Av	Min
Retail - Warehouses	£153,675,000	£40.00	£16.57	£5.00	8.50%	6.49%	4.73%
Warehouses / Industrial	£333,725,000	£22.25	£10.52	£5.00	7.13%	5.95 %	5.01%
Offices	£161,250,000	£71.99	£32,.58	£17.50	10.33%	8.04%	5.32%
Alternatives	£302,740,000	n/a*	n/a*	n/a*	9.63%	6.41%	4.69%
Total	**£951,390,000**						

The range of these two inputs applied in the 2024 valuations by Knight Frank is provided below:

Sector	Total Valuation Figure	ERV Range (psf)			Equivalent Yield Range		
		Max	Av	Min	Max	Av	Min
Retail - Warehouses	168,075,000	£40.01	£17.20	£5.00	8.98%	6.57%	4.97%
Warehouses / Industrial	349,235,000	£21.25	£10.31	£5.00	9.72%	6.11%	4.97%
Offices	173,550,000	£75.00	£32.75	£17.50	10.50%	8.04%	5.41%
Alternatives	317,470,001	n/a*	n/a*	n/a*	9.64%	6.35%	4.75%
Total	**£1,008,330,001**						

* ERV range has not been provided for the alternatives asset class as the inputs for these properties are assessed on various bases and therefore the range is not considered meaningful.

Notes to the Financial Statements Continued

9 Debtors

	As at 24 June 2025 £	As at 24 June 2024 £
Amount receivable on disposal of properties	-	549,647
Net rent receivables	6,874,916	7,094,634
Amounts due from managing agents	3,093,459	2,109,056
Insurance receivables and prepayments	249,094	157,054
Sundry debtors	464,187	513,201
Loan arrangement fee	177,597	275,074
Sundry prepayments	160,939	51,608
	11,020,192	10,750,274

Amounts due from managing agents of £3,093,459 (2024: £2,109,056) represents rent received from tenants by the Property Manager, Savills (UK) Limited, which had not been transferred to the Fund's bank account by the year end.

Net rent receivables are stated after allowances for doubtful rent receivables of £784,158 (2024: £824,938) which is broken down as follows:

	As at 24 June 2025 £	As at 24 June 2024 £
Opening bad debt provision	824,938	831,383
Additional provisions	79,637	217,231
Recoveries from doubtful debts	(18,334)	(86,575)
Written-off but previously provided for	(102,083)	(137,101)
Closing balance	784,158	824,938

Notes to the Financial Statements Continued

10 Creditors

	As at 24 June 2025	As at 24 June 2024
	£	£
Amounts payable for redemption of units	329,679	24,085,477
Tenant contribution to capital expenditure	960,420	2,527,478
Prepaid rent received from tenants	11,000,906	10,690,289
Purchases awaiting settlement	80,754	310,605
Manager and Property Manager fees	52,000	63,000
Corporate Trustee fees	75,618	40,063
Audit fees	165,060	93,850
Valuation fees	36,082	41,236
Credit facility non utilisation fee and debt arrangement fee	23,145	20,712
VAT payable	1,368,548	2,937,577
Other creditors	1,010,531	1,028,150
Retentions	396,942	231,001
Finance lease liability	88	88
	15,499,773	42,069,526

The Amounts payable for redemption of units is presented net of Amounts receivable for creation of units as the applications and redemptions are matched as per Section 5.3 of the Scheme Particulars and therefore would be more representative of the position as at balance sheet date.

Tenant contribution to capital expenditure of £960,420 (2024: £2,527,478) relates to enhanced rent received in relation to Birmingham Business Park. Future capital expenditure will continue to offset against this amount.

Notes to the Financial Statements Continued

11 Finance Leases (Non Current)

	As at 24 June 2025	As at 24 June 2024
	£	£
Finance lease	778,619	778,707
Total	778,619	778,707
The future minimum lease payments are as follows:		
	As at 24 June 2025	**As at 24 June 2024**
	£	£
Not later than 1 year	45,791	45,791
Later than 1 year and not later than 5 years	183,164	183,164
Later than 5 years	5,489,133	5,534,924
Total gross payments	5,718,088	5,763,879

Total finance lease liabilities amount to £778,707 (2024: £778,795), of which £88 (2024: £88) is considered current liabilities (see note 10). The remaining £778,619 (2024: £778,707) is due after more than 1 year.

12 Related Party Transactions

Details of the Manager, Property Manager and Corporate Trustee can be found on page 91.

During the year the Manager has received management fees of £5,049,580 (2024: £5,485,421) and the Property Management Company fees of £94,225 (2024: £103,106) thereby totalling £5,143,805 (2024: £5,588,527). These fees can be seen in Note 5, Expenses. The amount outstanding at the year end in respect of those fees was £52,000 (2024: £63,000), as can be seen in Note 10, Creditors.

During the year the Investment Advisor has received £621,889 (2024: £623,374) of which £304,275 (2024: £259,879) was capitalised to Investment Property and deducted from realised gains or losses on disposal and £317,624 (2024: £363,495) sits within Note 5, Legal and Professional Expenses relating to asset management activity.

During the year the Property Manager has received transactional fees of £304,029 (2024: £239,714), which are capitalised to Investment Property and deducted from realised gains or losses on disposal. The Property Manager has also received fees relating to asset management activity of £267,377 (2024: £140,500). These fees sit within Note 5, Legal and Professional Expenses.

During the year the Facility Manager has received £4,304 (2024: £2,024). These fees sit within Note 5, Legal and Professional Expenses.

During the year the Corporate Trustee received £152,685 (2024: £162,410). Amounts payable to the Corporate Trustee or associates of the Corporate Trustee are shown in Note 5, Expenses. Amounts due are shown in Note 10, Creditors. The amount outstanding at the year end in respect of those fees was £75,618 (2024: £40,063).

The aggregate monies received through creations and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders. During the year the Manager has received fees of £141,342 (2024: £91,935) as a result of dealing activity in the Fund. Subscription money awaiting investment into The Charities Property Fund is held in a client money account and dealt with in accordance with the FCA's Client Money Rules.

Notes to the Financial Statements Continued

13 Unit Reconciliation

The below table details the movement in application and redemption units over the past 12 months. Please also see the table on page 62 'Fund History'.

		GROSS		
Trading Quarter	**No. Units**	**Applications**	**Redemptions**	**Net Movement**
24 Sep 2024	827,743,567.100	2,241,284.476	(26,750,860.044)	(24,509,575.568)
24 Dec 2024	809,867,182.024	1,532,911.294	(19,409,296.37)	(17,876,385.076)
24 Mar 2025	791,850,907.278	11,126,141.259	(29,142,416.005)	(18,016,274.746)
24 Jun 2025	791,530,165.920	8,656,643.267	(8,977,384.625)	(320,741.358)
	Total	**23,556,980.296**	**(84,279,957.044)**	**(60,722,976.748)**

Details of fees earned by the Manager as a result of the four trading quarters shown above can be found in Note 12.

14 Contingent Liabilities

There were no contingent liabilities at the year end (2024: none).

A contingent liability is either a possible but uncertain obligation or a present obligation that is not recognised because it fails to meet the liability recognition criteria.

15 Capital and Other Commitments

At 24 June, the Fund had the following capital commitments:

	As at 24 June 2025 £	As at 24 June 2024 £
Contracts for future capital expenditure in investment properties	1,318,267	2,552,478

16 Post Balance Sheet Events

The Fund has completed sales on the following assets post year end:

On 10 September 2025 the Fund completed on the sale of an asset in Basingstoke for a total of £17.5m. On 29 September 2025 the Fund completed on the sale of an asset in Worcester for a total of £9.75m. These properties were sold for cash which has been received in full at the date of signing the accounts.

The Charities Property Fund | Report & Accounts 2025

General Information

Fund Structure

The Charities Property Fund is a Common Investment Fund which is an open ended investment vehicle, similar to a unit trust, but designed specifically for charities and established under Section 96 of the Charities Act 2011. Common Investment Funds are themselves charities with schemes approved and regulated by the Charity Commission. As a charity, the Fund is currently exempt not only from Stamp Duty Land Tax but also Capital Gains Tax and Income Tax.

Investment Objectives

The Fund aims to provide a high and secure level of income with the prospect of growth in income and to maintain the capital value of assets held in the Fund, through investing in a diversified UK commercial property portfolio. The Fund invests in the principal commercial property sectors: office, retail, industrial and other (alternative uses such as hotels, leisure, car showrooms, and roadside). It does not undertake speculative investments.

The Manager does not intend to hold more than 10% in value of the property of the Fund in cash or Near Cash (as defined in FCA Handbook of Rules and Guidance).

Unit Dealing

As the Fund is valued quarterly, units can be purchased at the end of March, June, September and December. Normally units will be redeemed with effect from a quarter day though this is subject to cash being available for redemptions. In addition, where there are both subscriptions and redemptions at a quarter day, the Manager may apply a matching process. The Manager may, at its sole discretion, defer the acceptance of applications on a pro rata basis when the value of unit applications exceeds the value of units the Manager believes is prudent to issue. These applications for units which have been scaled back will remain valid in respect of the unallocated element for a further three months, i.e. until the next Dealing Date and will be dealt with in priority to those applications first made at this dealing date.

To protect the overall position of unitholders, there are clearly defined restrictions on the right to redeem; the Manager has a general right to delay redemptions for up to 12 months from the Dealing Date in respect of which the application for redemption of units is first made, and where redemptions sought represent an aggregate value of 10% or more of the Net Asset Value of the Fund, the Manager may delay sales for a period of up to 24 months from the Dealing Date in respect of which such application(s) are made. Full details are set out in the Scheme Particulars.

Minimum Investment

The minimum investment in the Fund for new investors is £25,000, although smaller amounts may be accepted at the Manager's discretion. There is no minimum investment for existing unitholders.

Distribution

The income is paid gross on a quarterly basis, six weeks after each valuation point (on or before 15 February, 15 May, 15 August and 15 November).

General Information Continued

Corporate Trustee

Citibank UK Limited is the corporate trustee and depository of the Fund, as set out in the Scheme Particulars. The Fund acts by and through the Corporate Trustee. When the Fund acquires property, it does so by way of the Corporate Trustee appointing Citiclient (CPF) Nominees Limited and Citiclient (CPF) Nominees No 2 Limited to hold the relevant property of the Fund as nominees and bare trustees for the Corporate Trustee.

The Corporate Trustee will be entitled to receive fees (payable quarterly in arrears) based on the Net Asset Value at the start of the accrual period, on each Valuation Date. The fees (excluding value added tax) are subject to a minimum fee of £15,000 p.a. and will be based on the following annual rates:

- £0 to £200 million – 0.02%;
- above £200 million – 0.015%.

The Corporate Trustee may increase the current rates of fees if:

(i) the Corporate Trustee has given notice in writing to the Manager and to the unitholders of its intention to increase these rates of fees;

(ii) the Scheme Particulars have been revised (subject to the prior written approval of the Commission) to reflect the proposed increase in the rates; and

(iii) 90 days have elapsed since the revised Scheme Particulars became available.

Alternative Investment Fund Manager (AIFM)

Under an AIFM Agreement, the Fund appointed the existing manager of the Fund, Savills Investment Management (UK) Limited as its Alternative Investment Fund Manager (AIFM) for the purposes of the AIFM Directive in 2014. The AIFM is admitted and regulated in the United Kingdom by the Financial Conduct Authority (the "FCA").

The AIFM is subject to the requirements set out in the AIFM Directive, the Scheme and the Scheme Particulars. In its capacity as AIFM, it carries out the following tasks under the AIFM agreement:

(i) Asset management of the Fund, including, without limitation, portfolio and risk management; and

(ii) Marketing and distribution of units in the Fund.

In accordance with the provisions of the AIFM Directive and with the approval of the FCA, the AIFM may delegate, at its own responsibility and cost and under its own supervision, tasks to other entities suitable for the relevant purpose and having the necessary qualification, experience and resources. Any such delegation will be disclosed to the investors. The portfolio management of the Fund was delegated to Savills Investment Management LLP by the AIFM. Citibank UK Limited was appointed as the depositary of the Fund. To cover potential professional liability risks resulting from negligence in its business activities, the AIFM has appropriate and sufficient professional indemnity insurance, as stipulated by the relevant provisions of the AIFM Directive.

General Information Continued

Remuneration Code Disclosure for Savills Investment Management (UK) Ltd

The Financial Conduct Authority's (FCA) AIFM remuneration Code applies to Savills Investment Management (UK) Ltd ("Manager / AIFM"). The Manager has considered the FCA's proportionality guidelines and taking account of size, the lack of complexity and the low risk of the Manager a number of the remuneration rules have been disapplied.

The disclosure covers the remuneration paid in respect of the financial period from 1 January 2024 to 31 December 2024 for Savills Investment Management LLP (the parent of the Manager) and its subsidiaries ("Savills IM Group").

Decision Making Process

Savills IM Group has a Remuneration Committee that meets regularly to consider issues relating to the remuneration policy and the structures for all employees of the Savills IM Group including those of the Manager. The Savills IM Remuneration Policy Statement is reviewed and agreed annually by the Savills IM Remuneration Committee. The Remuneration Committee is comprised of two shareholder representatives and the Savills IM Chief Executive Officer and is delegated from the Savills IM Board.

Remuneration is reviewed annually, in conjunction with the Savills IM Group appraisal process. A recommendation regarding salary and bonus levels is made by an individual's line manager and assessed against the Savills IM Group as a whole by the Savills IM Global Executive Committee. Salaries are also benchmarked against market averages. The Savills IM Global Executive Committee will recommend salary changes and discretionary bonus payments to the Remuneration Committee for approval and adoption. Interim reviews are undertaken on an exceptions basis only.

Link Between Pay and Performance

Remuneration is dependent on both the performance of the Manager and the individual. The bonus pool is calculated as a fixed percentage of pre-tax Savills IM Group profits. The fixed and variable elements of remuneration have been developed to attract and retain high calibre staff to ensure the Manager is in a position to deliver the business plans and maximise return to shareholders. The remuneration policy and incentive structures apply to all code staff, rewarding them only when their goals are achieved. Employees of the Manager received; salary, car allowance, discretionary bonus and incentive shares in the ultimate parent, Savills Plc. Share awards are made in line with the Savills Group policy, in the form of retention or bonus awards, details of which can be found within the Savills plc Report and Accounts.

Staff Remuneration

The total aggregate remuneration for staff was GBP 37,988,000 of which there were 321 beneficiaries. GBP 32,930,000 of this remuneration was fixed and GBP 5,058,000 was variable. 49 of the beneficiaries were identified as remuneration code staff, as defined by the remuneration code, and their total aggregated remuneration was GBP 12,254,000. GBP 4,782,000 of this remuneration was earned by Senior Managers and GBP 7,472,000 was earned by other code staff.

Of the total aggregated remuneration of the code staff, GBP 2,124,000 can be assumed to relate to the Fund of which GBP 829,000 of this remuneration was earned by Senior Managers and GBP 1,295,000 was earned by other code staff. GBP 1,841,000 and GBP 283,000 corresponded to fixed and variable remuneration, respectively.

This information has been audited separately under the Savills Investment Management LLP annual financial statements as at 31 December 2024.

General Information Continued

The Manager and Property Manager

The Manager's fees and the Property Manager's fees are combined into one management charge. This periodic management charge shall accrue on a quarterly basis and will be determined by the Net Asset Value of the Fund at the start of the accrual period. It will be deducted and paid at the end of each quarter out of the Fund's assets. The fees (excluding value added tax) will be based on the following annual rates:

- £0 to £100 million – 0.70%;
- £100 to £500 million – 0.525%;
- above £500 million – 0.45%

The Manager may increase the current annual management fees and the current preliminary charge (or introduce a redemption charge) if:

(i) the Manager has given notice in writing to the Corporate Trustee and to the unitholders of its intention to increase the rates of annual management fees, or to increase the preliminary charge, or to introduce a redemption charge (as the case may be);

(ii) the Scheme Particulars have been revised subject to the prior written approval of the Charity Commission to reflect the proposed increase in these rates of annual management fees, or to increase the current preliminary charge, or to introduce a redemption charge; and

(iii) 90 days have elapsed since the revised Scheme Particulars became available.

Preliminary Charge

The Manager also applies a preliminary charge of 0.25% of the initial price of the units and this is included in the price at which units may be purchased.

This charge may be reduced at the Manager's sole discretion.

Borrowing Powers

Under the Scheme, the Manager is allowed to borrow money for the use of the Fund in certain circumstances. The Manager intends to use this power when it considers this to be in the best interests of the unitholders, principally either to obtain bridging finance to purchase real property for the Fund in anticipation of the receipt of committed subscriptions from existing or new unitholders or to finance the redemption of units pending the receipt of sales proceeds. Borrowing will not exceed 10% of the Net Asset Value of the Fund on any Business Day.

Trustee, Manager and Advisers

Details

Corporate Trustee, Depository and Charity Trustee
Citibank UK Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Manager, AIFM and Charity Trustee
Savills Investment Management (UK) Limited
33 Margaret Street
London
W1G 0JD

Standing Independent Valuer
Knight Frank LLP
55 Baker Street
London
W1U 8AN

Investment Adviser
Savills Investment Management LLP
33 Margaret Street
London
W1G 0JD

Legal Adviser
Farrer & Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Performance Measurement
MSCI Limited (formerly IPD)
9th Floor
10 Bishops Square
London
E1 6EG

Property Manager
Savills (UK) Limited
33 Margaret Street
London
W1G 0JD

Customer Due Diligence Administrator
Apex Group Limited
1 Aldemanbury Square
London
EC2V 7SB

Transfer Agent and Administrator
Alter Domus UK Limited
10th Floor
30 St Mary Axe
London
EC3A 8BF

Tax Compliance
RSM UK
25 Farringdon Street
London
EC4A 4AB

Fund Level Performance - Total return year ending 24 June 2025 (% per annum)

	24 June 2025	24 June 2024	24 June 2023	24 June 2022	24 June 2021
Charities Property Fund	7.5%	0.6%	(13.3%)	23.5%	7.1%
AREF/MSCI All Balanced Funds Index	6.8%	0.1%	(17.4%)	23.3%	8.5%

Handstand Creative
www.handstandcreative.com

Charities Property Fund

Manager and Trustee's Report

List of Properties

Key Fund Data

Financial Statements

Charities Property Fund

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