

Charities Property Fund
Savills Investment Management
33 Margaret Street
London
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Dear Investor,

Performance to 31 December 2025

The Charities Property Fund posted a positive total return for Q4 2025 of +1.3% and a total return of +6.3% for the last 12 months. This compares to the MSCI / AREF UK All Balanced Open Ended Property Fund Index of +0.8% for Q4 2025 and +5.1% for the last 12 months.

We have seen a small increase in valuations during every quarter in 2025 and Q4 was no exception, although the recovery is muted with the unit price up just +1.3% over the last 12 months.

	3 months	12 months	3 years (pa)	5 years (pa)	10 years (pa)	Since launch (pa)
CPF	1.3%	6.3%	3.9%	4.3%	4.8%	6.4%
MSCI / AREF All Balanced Open Ended Property Fund Index	0.8%	5.1%	3.0%	3.3%	3.6%	5.3%

Source: MSCI / AREF UK All Balanced Open Ended Property Fund Index 31 December 2025. NB past performance is not a reliable indicator of future performance. Total return is net of fees and expenses.

The Fund outperformed the Index by +0.5% over the quarter and +1.2% over the last 12 months, but more importantly has done so consistently over 3 years, 5 years, 10 years and since launch.

Within the UK commercial real estate market, the environment remains stable. On a positive note, the quarter end marked six consecutive quarters of capital growth since June 2024, albeit growth has slowed to a crawl with values only ticking up by 0.07% in Q4. Investment transaction levels remain sluggish thanks partly to the ongoing economic travails faced by the UK. Nervousness about the UK Budget at the end of November was also a drag on the economy during Q4.

Despite now having had six interest rate cuts over the last 18 months and continued resilience within the occupational real estate markets, UK Gilt rates remain elevated and this is perhaps the reason why the long awaited recovery in investor demand and pricing has yet to gain real traction.

We are of the opinion that the potential for upside does remain and the likelihood has if anything increased. Not only does commercial real estate offer a high income component, but we continue to see steady and continued rental growth – within the Charities Property Fund dividends have grown on average 4.0% per annum for the last 5 years. Added to the current net distribution yield of 4.8%, this indicates projected returns for the next 5 years of over 8.0% per annum.

The lack of new supply will drive rents at the prime end and again this is where the fund is positioned. Obtaining planning permissions remains incredibly difficult, restricting supply; build costs remain elevated – also restricting supply. Occupier demand is improving slightly with two difficult budgets behind us, interest rates have fallen and should continue to fall this year. The tailwinds for capital growth continue to build momentum.

Portfolio Activity

We have had a successful quarter of active management signing seven new lettings, totalling £625,000 per annum in rent, completing five lease renewals protecting £1.2 million pa in rent and negotiating and documenting four rent reviews, adding £860,000 pa in income. This is a considerable achievement over a short timescale. The largest uplift at review came at our hotel in Battersea, south west London, delivering 38% increase over the last 5 years. The largest individual letting was at an office building in London and the largest lease renewal at an industrial unit in Birmingham. The momentum has continued into 2026 with four large lettings and renewals in solicitors' hands in January.

Economic Backdrop

The UK economy continues to face persistent structural challenges - low productivity, high inflation and fiscal constraints - but the outlook is more nuanced than headlines suggest. The economy has proved resilient to both tax and tariff increases this year, with growth expected to come in at 1.4% for the year.

The outlook for 2026 points to continued sluggishness. Forecasts suggest GDP growth is likely to be slightly below 2025, reflecting persistent cost pressures on firms, limited fiscal stimulus, and ongoing trade frictions. Inflation is expected to ease gradually toward the 2% target by mid-2026 as energy prices stabilise and wage pressures moderate. Labour-market conditions are set to soften slightly, with unemployment rising only marginally. Business insolvencies, already elevated, remain a key risk, especially for firms exposed to higher borrowing costs and weak demand.

All this points to monetary policy loosening further, resulting in additional interest rate cuts.

We will be holding our 25th Annual Meeting at the Royal Academy (Royal Society of Chemistry) on Wednesday 28th January. If you would like to attend and haven't yet received an invitation please let us know.

We attach the latest factsheet which sets out the key points and highlights of the Fund for the quarter.

Yours sincerely,

Harry de Ferry Foster MRICS

Fund Director



IMPORTANT NOTICE

This letter is issued by Savills Investment Management (UK) Limited (registered in England, number 03680998 at 33 Margaret Street, London W1G 0JD), which is authorised and regulated by the Financial Conduct Authority (firm reference number 193863) and operates as the Manager of the Charities Property Fund ("The Fund").

This Fund is a registered charity (number 1080290) and is a common investment fund established by the Charity Commission for England and Wales under Section 24 of the Charities Act 1993. Investment into the Fund is only available to charities within the meaning of section 96 or 100 of the Charities Act 2011.

This letter has been prepared for existing investors of the Fund. It has been provided for information purposes only and may not be reproduced in any form without the express permission of the Manager. The opinions expressed here represent the views of the Manager at the time of preparation and should not be interpreted as investment advice. This letter does not constitute an offer to sell or solicitation of an offer to buy any units in the Fund.

The value of property is generally a matter of a valuer's opinion rather than fact. Please remember that past performance is not necessarily a guide to future performance. The value of an investment and the income from it can fall as well as rise and investors may not get back the amount originally invested. Tax assumptions may change if the law changes, and independent advice should be sought. Property can be difficult to sell, and it may be difficult to realise your investment when you want to.

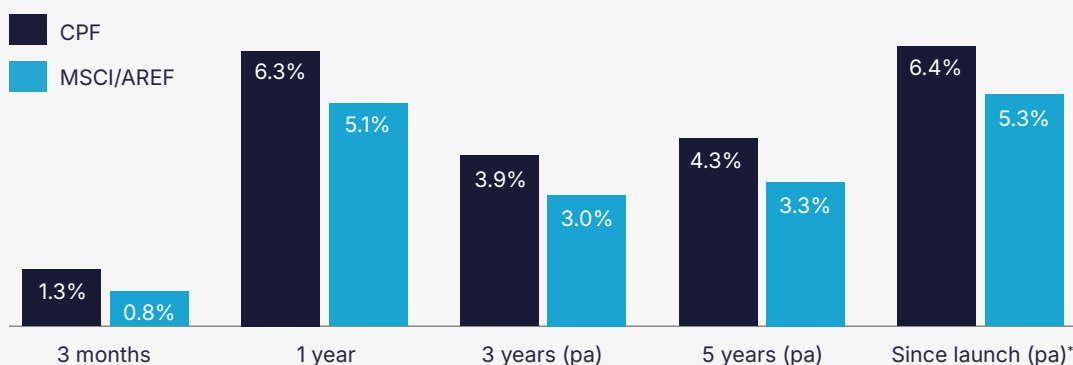
Fund Objectives

The Charities Property Fund is the original and largest tax efficient pooled property vehicle available to all charities in the UK (AREF/MSCI December 2025). It is a Common Investment Fund regulated by the Charity Commission and helps c.1,200 charities to invest in commercial real estate in an ethical, responsible and tax-efficient way. The Fund's objective is to invest in property throughout the UK to provide a balanced and diversified portfolio to deliver a high and secure level of income and to maintain the capital value of assets held over the long term.

Key Points - 31 December 2025

£934 million fund size	5.5% gross fund yield	82 properties	10.3 average years to Fund lease expiry
No debt	4.8% yield net of costs	171 tenants	8.4 average years to earliest break

Fund Performance



Source: Savills Investment Management, MSCI/AREF Quarterly Property Funds Index, 31 December 2025

Basis: NAV-to-NAV with gross income reinvested

*The Charities Property Fund launched in 2000.

Total return is net of fees and expenses.

Past performance is not an indicator of future performance.

Asset Management

We have had a successful quarter of active management. Completing five lease renewals and extensions - protecting £1.2 million pa in rent, negotiating and documenting four rent reviews - adding £860,000 pa in income and signing seven new lettings - totalling £650,000 PA in rent.

The most significant lease extension was to Vodafone in Basingstoke. Vodafone operate a data centre from our premises and have invested heavily into the unit. The lease to Vodafone was due to expire in 2025 and we have now signed a 15 year extension at a rent of £360,000 per annum (£12.00 per sq ft), reflecting a 37% increase over the previous rent. Securing a strong covenant for a long term, at an enhanced rent, with no rent free and no option to break the lease is an excellent result. We also own the adjoining unit let to Berry Brothers and last

year we also completed a 15 year extension with them also reflecting a considerable increase in rent. Since we acquired this asset eight years ago, the combined income has increased from £520,850 pa to £800,000 pa (+54%).

Moving to the retail warehouse sector, here we executed a lease renewal of a 20,000 sq ft unit in Middlesbrough to B&M Bargains. This is an asset that we have owned for 21 years and it has proved a reliable generator of income having never experienced a void. However, the lease expired in June 2023 and the tenant had been using their right to remain in occupation to frustrate engagement on a new lease in order to put pressure on us to agree to a lower rent. Ultimately we succeeded, the tenant has now signed a new long lease expiring in November 2035 at a higher rent of £265,000 pa (+11%).



Basingstoke



Middlesbrough

CPF Portfolio 31 December 2025

4.3%

fund vacancy rate

56%

of income
benefits from fixed or
index-linked rental increases

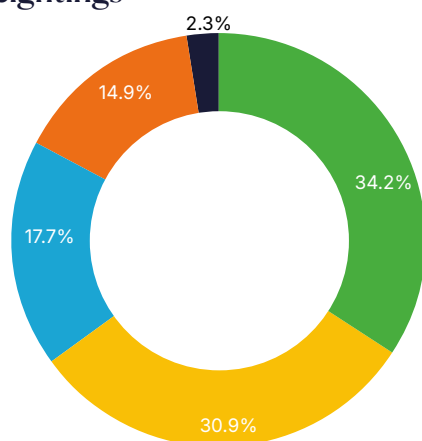
12%

MSCI vacancy rate

75%

of index linked
income is linked to RPI

Sector weightings

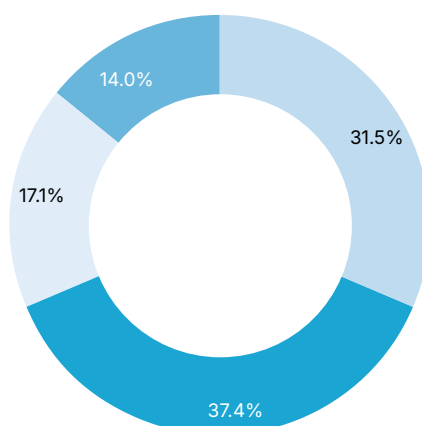


- Industrial & Distribution
 - South East Industrials 15.7%
 - Rest of UK Industrials 18.5%
- Alternatives
 - Leisure 1.2%
 - Education 4.3%
 - Hotels / Student / Serviced 18.0%
 - Apartments 4.5%
 - Automotive 2.9%
 - Roadside

- Offices
 - London Offices 10.7%
 - South East Offices 2.2%
 - Rest of UK Offices 4.8%
- Retail
 - High Street 0.0%
 - Supermarkets 0.0%
 - Retail Warehouses 14.9%
- Cash 2.3%

Source: Savills Investment Management, December 2025

Geographical Weightings



- Greater London 31.5%
- South East & South West 37.4%
- Midlands & Wales 17.1%
- North 14.0%
- Scotland 0.0%

Source: Savills Investment Management, December 2025

Asset Management continued

In terms of new lettings, the largest letting comprised the ground floor and lower ground floors of an office building in Shoreditch. This was let on a new five year term to Kettal (an upscale Spanish furniture retailer) at a rent of £189,000 per annum (£32.00 per sq ft).

Sales

We sold a portfolio of three industrial properties in the final quarter, comprising assets in Birmingham, Normanton and Warrington at a price of £23.25 million, reflecting a yield of 5.9%. These assets were acquired in 2013 and 2014 for a combined price of £11.85 million and reflected a yield to the fund of 8.2%. Since then we have managed to increase the rents by 55% through two leases renewals, three rent reviews and two new lettings.



Whilst these assets have all performed well over their respective hold periods, they are not without issues. Normanton has a low eaves height of 6 metres and an unusual site configuration. The main building is now in excess of 30 years old. Birmingham is held long leasehold and the access is circuitous. Therefore they were identified for sale once the business plans were completed.

The combined disposal price of the portfolio was 96% above the combined purchase prices of the individual assets and in excess of the Independent Valuers assessment of value. The assets have also delivered £12.85 million in income during the hold period which translates to net IRRs at a property level of 11.5% - 13.5% per annum for each of the assets.

25th Anniversary

In November we celebrated our 25th Anniversary with a drinks party at the King's Fund in Cavendish Square. It was lovely to see so many investors (both past and present) there and to raise a glass to celebrate what is a significant milestone. Thank you to all of our investors for their support.



We will be holding our 25th Annual Meeting at the Royal Academy (Royal Society of Chemistry) on Wednesday 28th January. If you would like to attend and haven't yet received an invitation please let us know.

Fund Information - (As At 31 December 2025)

Launch date	September 2000
Fund size	£934 million
No of investors	c.1,200
Historic distribution yield	4.8%*
Prospective distribution yield	4.8%**
Fund costs (TER)	0.7% per annum
Unit price	NAV - 120.81 pence
	Bid - 119.15 pence
	Offer - 122.90 pence
Bid spread	1.45%
Offer spread	1.55%
SEDOL	0208075
Next distribution date	13 February 2025
Last distribution payment	1.447p per unit
Next dealing date	31 March 2026 [#]

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

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

Applications must be received on the 15th day of the month in which the Valuation Date falls (or if that is not a Business Day the preceding Business Day) for dealing on the next Dealing Date.

Five Largest Tenants

Travelodge Hotels Limited (4)	9.6%
Macmillan Publishers International Limited (1)	4.8%
D'Overbroeck's Limited (surety: Nord Anglia Education Limited) (2)	4.7%
Leonardo Hotel Management (UK) Limited (1)	4.4%
Amazon UK Services Limited (2)	3.1%
Total (across 10 locations)	26.6%

10 Largest Assets

London EC1 - The Smithson, Farringdon (Office)	6.2%
London SE7 - Greenwich (Retail Warehouse)	5.2%
Oxford - 333 Banbury Road (Alternatives)	4.4%
Brighton - Leonardo Hotel (Alternatives)	3.8%
London SW11 - Battersea (Alternatives)	3.7%
Cambridge - Travelodge (Alternatives)	2.9%
Bath - Westgate Buildings (Alternatives)	2.9%
Bury St Edmunds - Suffolk Park (Industrial)	2.6%
Tamworth - Emperor Point (Industrial)	2.6%
Telford - Welcome Break MSA (Alternatives)	2.5%
Total	36.8%

Risk Warning

This document is a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. Savills Investment Management (UK) Limited have not considered the suitability of this investment against your individual needs and risk tolerance. To ensure you understand whether our product is suitable, please read both the Fund Factsheet document and the Scheme Particulars. We strongly recommend you seek independent professional advice prior to investing. Investors should consider the following risk factors identified as specific to the Fund before investing: Counterparty/Tenant/Credit Risk (financial institution/tenants may not pay), Market Risk (investment value affected by market conditions), Operational Risk (general operational risks), Expiry/Maturity Profile (timing of maturity of tenancies), Liquidity Risk (investment in non-readily realisable assets), Interest Rate risk (changes to interest rate affecting income), Concentration Risk (need for diversification and suitability of investment), Business Risk (possibility of lower than anticipated profits). Please see the Fund Scheme Particulars for further details.

Disclosures

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