

COIF Charities Property Fund

INVESTMENT POLICY AND OBJECTIVES

The Fund aims to achieve a high and sustainable level of income and some capital appreciation. It mainly invests in a diversified portfolio of direct property assets, but may also invest in specialist property unit trusts and property shares

The Fund’s benchmark is the Other Balanced Fund component of the MSCI/AREF UK Quarterly Property Fund Index.

INVESTOR CONSTITUENCY

Registered charities in England and Wales

Fund details	
Type of fund	Common Investment Fund (Charity)
Residence	United Kingdom
Launch date	29 August 2002
Open/closed-ended	Open-ended
Earliest date of winding up	Not applicable
Year-end	31 December
NAV (GBPm)	636.4

Source: CCLA Investment Management Limited

Management/professional advisors	
Manager	CCLA Fund Managers Limited
Fund Manager	Roy Halliday
Trustee	HSBC Bank plc
Auditors	PWC

Source: CCLA Investment Management Limited

Investment rates of return, %				
		MSCI/AREF UK Quarterly Property Fund Index		
	COIF Charities Property Fund	Other balanced funds	All balanced funds	All funds
3 months	0.9	0.6	0.6	0.4
Year-to-date	1.1	1.0	0.9	0.6
12 months	5.6	4.1	3.4	2.8
3 years+	7.5	6.6	6.3	5.6
5 years+	9.1	8.9	8.3	7.6
10 years+	10.2	9.1	8.7	9.1

Source: CCLA Investment Management Limited

Source: MSCI/AREF UK Quarterly Property Fund Index (Sponsored by PropertyMatch)

Property investment restrictions	
Maximum development exposure	15%
Maximum speculative development exposure	Zero
Maximum lot-size holding as a standing investment	No maximum
Maximum lot-size holding permitted at purchase	15%
Maximum exposure to limited partnerships	5%
Maximum exposure to joint ventures	5%
Maximum exposure to closed and open-ended property unit trusts	5%

Source: CCLA Investment Management Limited

Portfolio distribution %				
		MSCI/AREF UK Quarterly Property Fund Index**		
	COIF Charities Property Fund	Other balanced funds	All balanced funds	All funds
Standard retail – South East	3.6	7.6	7.1	5.7
Standard retail – Rest of UK	1.3	3.3	3.3	3.6

Shopping centres	0.0	1.8	2.5	7.3
Retail warehouses	16.2	13.3	13.6	13.0
All UK retail	21.1	26.0	26.4	29.7
City offices	11.0	3.7	3.7	3.3
West End offices	2.4	7.6	7.7	7.0
Rest of South East offices	14.0	11.6	11.1	7.7
Rest of UK offices	6.4	5.8	5.8	4.9
All UK offices	33.8	28.7	28.4	22.9
South East industrial	11.0	19.3	19.5	15.6
Rest of UK industrial	18.9	10.1	10.0	8.0
All UK industrial	29.9	29.4	29.5	23.6
Other UK properties	10.4	11.0	10.0	19.4
Cash***	4.9	4.9	5.7	4.4
Overall	100.0	100.00	100.00	100.00

Source: CCLA Investment Management Limited

** MSCI/AREF UK Quarterly Property Fund Index (Sponsored by PropertyMatch)

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	67	605.5	100.0
Joint and indirect holdings	0	0	0.0
Listed investments	0	0	0.0
Total	67	605.5	100.0

Source: CCLA Investment Management Limited

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
80 CANNON STREET	LONDON	Office	57.2	9.4
PAVILION RETAIL PARK	BRIGHTON	Retail Park	32.0	5.3
BACKNELL, 5 Arlington Square	BRACKNELL	Office	29.6	4.9
MENDLESHAM INDUSTRIAL ESTATE	STOWMARKET	Industrial	28.9	4.8
1 FETTER LANE AND	LONDON	Office	22.7	3.7

BATH WATERSIDE TRAVELODGE	BATH	Hotel – Not categorised	22.0	3.6
1-3 COLLEGE HILL	LONDON	Office	19.3	3.2
MAGNA PARK	LUTTERWORTH	Industrial	18.3	3.0
SOLIHULL, Gate Retail Park	SOLIHULL	Retail Park	16.1	2.7
1400-1499 & 1600 AZTEC WEST	BRISTOL	Industrial Other	15.5	2.6
10 largest investments as % of portfolio			261.6	43.2

Source: CCLA Investment Management Limited / MSCI estimates

Direct portfolio structure by lot-size bands			
Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	9	14.8	2.4
2.5 - 5	17	67.1	11.1
5-10	22	151.4	25.0
10-25	15	224.5	37.1
25 - 50	3	90.5	14.9
50 - 100	1	57.2	9.4
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	67	605.5	100.0
Average lot size		9.0	

Source: CCLA Investment Management Limited

Property Yield	
Net initial yield	5.13%
Nominal equivalent yield	5.93%
True equivalent yield	6.15%
Net reversionary yield	5.80%

Source: CCLA Investment Management Limited

Voids as % of ERV	
Investments	4.90%
Developments	1.70%
Total	6.60%

Source: CCLA Investment Management Limited

Rental income & ERV by type of property	
Rental income %	Estimated rental value %

Standard retail	5.0	4.5
Retail warehousing	19.4	18.4
Shopping centres	0.0	0.0
Central London offices	10.4	12.7
Other offices	25.5	26.3
Industrial	31.0	30.0
Other	8.7	8.0
Overall	100.0	100.0

Source: CCLA Investment Management Limited

Comparison of rents passing and ERV by type of property*

Sector	Rent passing %	Pre-lets & rent-free periods %	Development voids %	Other voids %	Over rented %	Reversionary potential %	Net reversionary potential %	ERV %
Standard retail	103.2	0.0	0.0	0.0	-3.2	0.0	-3.2	100.0
Retail warehousing	98.7	0.0	5.8	0.6	-5.0	0.0	-5.0	100.0
Shopping centres	-	-	-	-	-	-	-	-
Central London offices	76.9	0.0	0.0	11.9	0.0	11.2	11.2	100.0
Other offices	90.9	0.0	2.6	7.9	-1.5	0.0	-1.5	100.0
Industrial	96.5	0.0	0.0	3.0	0.0	0.5	0.5	100.0
Other	101.2	0.0	0.0	0.0	-1.2	0.0	-1.2	100.0
Overall	93.6	0.0	1.8	4.6	-1.6	1.6	0.0	100.0

*Comprising the ERV of developments in progress or contracted which have not been pre-let

Source: CCLA Investment Management Limited

Listed Investments

	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
0	0.0	0.0	0.0
0	0.0	0.0	0.0
0	0.0	0.0	0.0
0	0.0	0.0	0.0
0	0.0	0.0	0.0

	0.0	0.0	0.0
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The unexpired term of leases

Years	% of rent passing
20 years or greater	6.3
15 years or greater, but less than 20	1.1
10 years or greater, but less than 15	11.8
5 years or greater, but less than 10	17.5
Less than 5 years	63.3

Source: CCLA Investment Management Limited

Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: CCLA Investment Management Limited

Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (incl expenses) (%)	Off balance sheet debt (GBPm)+
0	0	0	0	0.00%	0.0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

Source: CCLA Investment Management Limited

Development exposure*

	Capital value of developments			Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	7.85	0	7.85	0
% of all directly held properties*	1.30%	0.00%	1.30%	0.00%

* Includes joint ventures in which the Fund has an interest of 50% or more

Source: CCLA Investment Management Limited

Valuations/performance monitors/affiliations

Frequency of valuation	Monthly, as at the last day of the month
Valuers	BNP Paribas Real Estate
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Yes
Member of the Association of Real Estate Funds	Full member

Source: CCLA Investment Management Limited

Restrictions on holdings of cash/borrowings

Maximum total gearing permitted	25%
Cash holdings (maximum)	20%
Cash holdings (minimum)	Zero

Source: CCLA Investment Management Limited

The contribution of major tenants to rental income

Tenant	%
CEVA Logistics Limited	5.6
Travelodge Hotels Limited	3.7
IPSL Limited	3.3
Technip UK Ltd	3.0
ADP Limited	2.9

VWR International	2.7
Wickes Building Supplies Ltd	2.6
B & Q Plc	2.5
Lord Locke	2.4
B & M Retail Ltd	2.4
Three largest tenants' contribution to rental income	12.6
Five largest tenants' contribution to rental income	18.5
Ten largest tenants' contribution to rental income	31.1

Source: CCLA Investment Management Limited

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	605.5	0.0	0.0	0.0	605.5
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	30.9	0.0	0.0	0.0	30.9
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	636.4	0.0	0.0	0.0	636.4
Gearing (%)					
Net debt (cash)/properties	-5.1	-	-	-	-5.1
Net debt (cash)/equity	-4.9	-	-	-	-4.9

Source: CCLA Investment Management Limited

Quarterly data per unit

As at	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19
Bid (GBP)	115.26	116.09	116.49	117.92	116.69	116.19
Offer (GBP)	119.12	119.98	120.39	121.87	120.60	120.09
Mid (GBP)	117.19	118.03	118.44	119.90	118.65	118.14
Bid/offer spread	3.24%	3.24%	3.24%	3.24%	3.24%	3.24%
Net asset value (GBP)	117.07	117.91	118.32	119.78	118.53	118.02
Quarterly distribution (GBP)	1.53	1.57	1.63	1.67	1.53	1.57

Yield	5.47%	5.43%	5.41%	5.34%	5.40%	5.42%
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Source: CCLA Investment Management Limited

Unit pricing

There are currently two Dealing Days per month, normally the last Tuesday and Thursday, except when this is not a Business Day; that is a day on which the London Stock Exchange (or any successor body) is not open for business, then the preceding Business Day becomes a Dealing Day. The valuation is carried out at mid-market prices at the Valuation Point. The Unit price includes the value of the income property of the Fund which has not been declared as a dividend on the Dealing Day.

Distributions

For income unitholders, distributions of income are calculated quarterly and distributed at the end of February, May, August and November.

Minimum investment/disinvestment

Minimum initial investment:	GBP10,000
Minimum additional investment:	GBP1,000
Minimum redemption:	GBP1,000

Creation, transfer and realisation of units

Completed application forms together with payment must be received by 5pm on the business day prior to the dealing date. Completed redemption forms must be received by the manager by 5pm on the day prior to the dealing day. Settlement cheques are sent out within four business days of the dealing date.

The Manager reserves the right to defer redemptions for up to six months if it considers it necessary for the protection of the continuing unitholders to do so. (See "Redemption notices outstanding".)

Taxation

As a registered charity, the fund is currently exempt from income and capital gains tax and is not subject to stamp duty.

Capital Gains Tax

Income Tax

Stamp duty reserve tax

Charges

The manager's fee is 0.65% pa of the value of the fund.

The corporate trustee's fee is flat fee of £36,000 (plus VAT) per annum.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	756	26.7%
1% or greater but less than 2%	5	7.3%
2% or greater but less than 4%	2	5.2%
4% or greater but less than 8%	2	12.8%
Greater than 8.0%	2	48.1%
Total	767	100.0%
Major investors		
Largest holder	1	30.1%
Three largest holders	3	54.5%
Five largest holders	5	63.7%
Ten largest holders	10	72.2%
Internal/external investors		
Internal	3	49.8%
External	764	50.2%

Source: CCLA Investment Management Limited

Liquidity						
Period	Year to Dec 2014	Year to Dec 2015	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019
Issues and redemptions						
Units in issue as at start of period	348,673,041	408,036,236	476,366,198	467,870,130	448,183,046	502,012,087
Units issued during period	65371442	89,244,846	27,146,355	18,715,272	75,803,767	33,229,583

Units redeemed during period	-6,008,247	-20,914,884	-35,642,422	-38,402,356	-21,974,726	-8,250,225
Units in issue at end of period	408,036,236	476,366,198	467,870,130	448,183,046	502,012,087	526,991,445
Unit transfers						
Matched bargains	-	-	-	-	0	0
Matched bargains %*	-	-	-	-	0	0.00%

* as % of units in issue at the end of the period

Source: CCLA Investment Management Limited