

The Charities Property Fund

INVESTMENT POLICY AND OBJECTIVES

To invest in a diversified portfolio of commercial property assets in the United Kingdom.
To provide a high and secure level of income (currently 4.75% pa) with the prospect of income and capital growth in real terms.

INVESTOR CONSTITUENCY

Registered charities in England and Wales.

Fund details	
Type of fund	Common Investment Fund (CIF) - Registered Charity
Residence	United Kingdom
Launch date	September 2000
Open/closed-ended	Open-ended
Earliest date of winding up	n/a
Year-end	30-Jun
NAV (GBPm)	1029.0

Source: Savills Investment Management

Management/professional advisors	
Manager	Savills Investment Management (UK) Ltd
Property advisor	Savills Investment Management LLP
Fund Manager	Harry de Ferry Foster
Corporate trustee	Citibank International Plc
Auditors	KPMG LLP

Source: Savills Investment Management

Fund level total return, %		MSCI/AREF UK Quarterly Property Fund Index		
	The Charities Property Fund	Other balanced open-ended funds	All balanced open-ended funds	All funds
3 months	1.2	1.2	1.1	1.4
Year-to-date	1.8	1.7	1.7	1.7
12 months	0.6	-0.4	0.1	0.0
3 years+	2.5	0.4	0.6	0.0
5 years+	2.6	1.4	1.5	0.6
10 years+	5.8	5.1	4.8	4.0

Source: MSCI/AREF UK Quarterly Property Fund Index

Fund Restraints	
Property investment restrictions	
Maximum development exposure	No maximum for forward commitments
Maximum speculative development exposure	Zero
Maximum lot-size holding as a standing investment	30%
Maximum lot-size holding permitted at purchase	30%
Maximum exposure to limited partnerships	n/a
Maximum exposure to joint ventures	n/a
Maximum exposure to closed and open-ended property unit trusts	n/a
Restrictions on holdings of cash/borrowings	
Maximum total gearing permitted	10.00%
Cash holdings (maximum)	No maximum
Cash holdings (minimum)	Zero

Source: Savills Investment Management

Portfolio distribution %		MSCI/AREF UK Quarterly Property Fund Index		
	The Charities Property Fund	Other balanced open-ended funds	All balanced open-ended funds	All funds
Standard retail – South East	0.0	4.2	3.7	3.4
Standard retail – Rest of UK	0.0	1.1	1.1	1.2
Supermarkets	0.0	0.7	1.1	1.7

Shopping centres	0.0	0.6	0.9	0.6
Retail warehouses	16.3	12.3	12.0	7.4
All UK retail	16.3	19.0	18.8	14.4
City offices	0.0	3.0	3.1	2.6
West End offices	7.3	7.5	6.6	4.8
Rest of South East offices	5.1	6.3	6.3	5.2
Rest of UK offices	4.4	4.6	4.0	4.4
All UK offices	16.9	21.4	20.0	17.0
South East industrial	9.2	19.2	20.1	18.0
Rest of UK industrial	9.4	7.7	7.2	6.5
South East Distribution Warehouse	4.1	5.1	5.4	4.1
Rest of UK Distribution Warehouse	11.7	6.4	6.3	5.3
All UK industrial	34.4	38.3	39.1	33.8
Residential excl Student Accomodation	2.7	0.5	1.3	2.4
Student Accomodation	1.1	2.8	3.3	10.7
Hotel	10.9	3.7	3.2	6.1
Leisure	1.0	1.8	2.2	4.1
Healthcare	0.0	1.8	1.3	1.4
Other UK properties	14.6	3.8	3.2	4.1
Cash***	2.0	6.8	7.7	6.0
Overall	100.0	100.0	100.0	100.0

Source: Savills Investment Management

Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	104	1,008.3	100.0
Joint and indirect holdings	0	0.0	0.0
Listed investments	0	0.0	0.0
Total	104	1,008.3	100.0

Source: Savills Investment Management

Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
THE SMITHSON	LONDON	Office	50-60m	*
BROCKLEBANK RETAIL PARK	LONDON	Retail Park	40-50m	*
333 BANBURY ROAD, OXFORD OX2 7PL, OXFORD, 333 BANBURY ROAD,	OXFORD	Education	30-40m	*
JURYS INN HOTEL	BRIGHTON	Hotel	30-40m	*
BATTERSEA, TRAVELODGE, BATTERSEA, 200 YORK ROAD	BATTERSEA	Hotel	30-40m	*
TRAVELODGE	CAMBRIDGE	Hotel	20-30m	*
SP147	BURY ST EDMUNDS	Industrial	20-30m	*
EPSOM TRADE PARK AND UNITS 450A AND 450B	EPSOM	Industrial	20-30m	*
EMPEROR POINT	TAMWORTH	Industrial	20-30m	*
CAXTON POINT	HAYES	Industrial Other	10-20m	*
10 largest investments as % of portfolio			*	*

Source: Savills Investment Management

Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 - 2.5	10	18.2	1.8
2.5 - 5	26	105.9	10.5
5-10	33	246.5	24.4
10-25	29	412.5	40.9
25 - 50	5	173.7	17.2
50 - 100	1	51.5	5.1
100-150	0	0.0	0.0
Over 150	0	0.0	0.0
Total	104	1008.3	100.0
Average lot size		9.7	

Source: Savills Investment Management

Property Yield		Voids as % of ERV	
Net initial yield	5.65%	Investments	2.8%
Nominal equivalent yield	-	Developments	0.0%
True equivalent yield	6.47%	Total	2.8%
Net reversionary yield	6.44%		

Source: Savills Investment Management

Rental income & ERV by type of property

	Rental income %	Estimated rental value %

Standard retail	0.0	0.0
Retail warehousing	17.7	15.8
Shopping centres	0.0	0.0
Central London offices	9.6	9.2
Other offices	9.8	19.1
Industrial	30.6	32.0
Other	32.2	24.0
Overall	100.0	100.0

Source: Savills Investment Management

Over Renting and Reversionary Potential, % Rent Passing									
Sector	Rent Passing, GBP Millions	Rent Free, % Rent Passing	Development vacancy, % Rent Passing	Investment vacancy, % Rent Passing	Over rented, % Rent Passing	Reversionary potential, % Rent Passing	Reversionary potential Net of Over renting, % Rent Passing	Market Value, % Rent Passing	
Standard retail	-	-	-	-	-	-	-	-	-
Retail warehousing	10.8	2.5	-	-	-2.7	6.2	3.5	106.2	
Shopping centres	-	-	-	-	-	-	-	-	
Central London offices	5.9	-	-	7.4	-	14.5	-	114.5	
Other offices	6.0	15.3	-	11.9	-0.5	19.7	19.2	231.7	
Industrial	18.6	4.8	-	3.4	-0.1	25.1	25.0	125.1	
Other	19.6	-	-	0.4	-11.8	-	-	89.1	
Overall	60.9	3.7	-	3.1	-4.4	7.9	3.5	119.6	

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

Source: Savills Investment Management

Listed Investments			
	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
	0.0	0.0	0.0

The unexpired term of leases % of rent passing		
Years	Including breaks	Excluding breaks
20 years or greater	11.1	13.5
15 years or greater, but less than 20	8.2	12.5
10 years or greater, but less than 15	8.5	9.5
5 years or greater, but less than 10	25.5	32.9
Less than 5 years	46.7	31.6

Source: Savills Investment Management

Joint and Indirect property holdings						
Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Source: Savills Investment Management

Debt analysis						
Fixed rate borrowings			Variable rate borrowings			
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above Risk Free Rates (incl expenses) (%)	Off balance sheet debt (GBPm)+	
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: Savills Investment Management

Development exposure*			
Capital value of developments			
Not yet started	In progress+	All developments	Cost to complete schemes in progress+

GBPm	0	0	0	0
% of all directly held properties*	0.00%	0.00%	0.00%	0.00%

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

Source: Savills Investment Management

Valuations/performance monitors/affiliations

Frequency of valuation	Quarterly
Valuers	Knight Frank
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: Savills Investment Management

The contribution of major tenants to rental income

Tenant	%
TRAVELODGE HOTELS LTD	7.1
MACMILLAN PUBLISHERS INTERNATIONAL LIMITED	3.9
D'OVERBROECK'S LIMITED	3.7
LEONARDO HOTEL MANAGEMENT (UK) LIMITED	3.7
SYTNER PROPERTIES LTD	3.0
AMAZON UK SERVICES LIMITED	2.3
VW GROUP UK LIMITED	2.2
THE SECRETARY OF STATE	2.2
RYBROOK LIMITED	2.2
SPEEDY ASSET SERVICES LIMITED	2.1
Three largest tenants' contribution to rental income	14.7
Five largest tenants' contribution to rental income	21.4
Ten largest tenants' contribution to rental income	32.4

Source: Savills Investment Management

Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	1008.3	0.0	0.0	0.0	1008.3
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	20.7	0.0	0.0	0.0	20.7
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	1029.0	0.0	0.0	0.0	1029.0
Gearing (%)					
Net debt (cash)/properties	-2.1	-	-	-	-2.1
Net debt (cash)/equity	-2.0	-	-	-	-2.0

Source: Savills Investment Management

Quarterly data per unit

As at	31-Mar-23	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Bid (GBP)	0.7816	1.2312	1.2112	116.9100	116.1700	116.2000
Offer (GBP)	0.8064	1.2707	1.2503	120.7100	119.9800	119.9600
Mid (GBP)	0.7940	1.2510	1.2308	118.8100	118.0750	118.0800
Bid/offer spread	3.1%	3.1%	3.1%	3.1%	3.2%	3.1%
Net asset value (GBP)	0.7930	1.2487	1.2286	1.1860	1.1787	1.1787
Quarterly distribution (GBP)	0.0109	0.0151	0.0155	0.0328	0.0145	0.0136
Yield	4.0%	4.4%	4.7%	6.5%	6.6%	6.5%

Source: Savills Investment Management

Unit pricing

The unit price is calculated as at the date of the quarterly revaluation of the portfolio. Income is not included in the calculation.

Distributions

Distributions of income are made quarterly, approximately six weeks after each valuation date on 15 February, 15 May, 15 August and 15 November each year.

Minimum investment/disinvestment

Minimum initial investment: GBP25,000

Minimum additional investment: No minimum

Minimum redemption: GBP10,000 (subject to the discretion of the Manager)

Creation, transfer and realisation of units

Completed application forms and redemption forms need to be received by the Manager at least 14 days prior to the Dealing date, which is the last business day of each quarter. Application Payments and Redemption proceeds are to be received/ paid on the settlement date, which is 4 business days post the Dealing date. (See note 4 and "Redemption notices outstanding", overleaf.) The Manager will endeavour to match buyers with sellers.

Taxation

As a charity itself, under current UK tax legislation, the fund is not subject to Stamp Duty Land Tax (currently 4% on all property transactions over GBP0.5m), capital

Charges

The Manager's, property Manager's and corporate trustees' fees are calculated on the following basis:

The Manager & Property Manager

First GBP100m: 0.70% pa
GBP 100 – GBP500m: 0.525%
Above GBP500m:0.45%

The Manager also renders a preliminary charge of 0.25% added to the unit price (and may impose a redemption charge)

The corporate trustee

GBP10m –
GBP200m – 0.05%
Above
GBP200m – 0.0375%.

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	1,389	54.3
1% or greater but less than 2%	18	24.1
2% or greater but less than 4%	3	7.9
4% or greater but less than 8%	3	13.8
Greater than 8.0%	0	0.0
Total	1,413	100.0
Major investors		
Largest holder	1	4.9
Three largest holders	3	13.7
Five largest holders	5	19.4
Ten largest holders	10	28.7
Internal/external investors		
Internal	1413	100
External	0	0

Source: Savills Investment Management

Liquidity						
Period	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023	Year to Dec 2024
Issues and redemptions						
Units in issue as at start of period	1,013,250,247	1,006,029,733	959,220,000	976,422,467	1,040,924,291	983,938,095
Units issued during period	45,763,637	50,413,784	48,187,219	122,264,899	22,498,881	4,418,524
Units redeemed during period	-52,984,151	-97,223,517	-30,984,753	-57,763,075	-79,485,076	-32,842,646
Units in issue at end of period	1,006,029,733	959,220,000	976,422,467	1,040,924,291	983,938,095	955,513,974
Unit transfers						
Matched bargains	34,206,433	50,413,784	44,217,846	1,156,979	0	0
Matched bargains %*	3.4%	5.3%	4.5%	0.1%	0.0%	0.00%

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

Source: Savills Investment Management