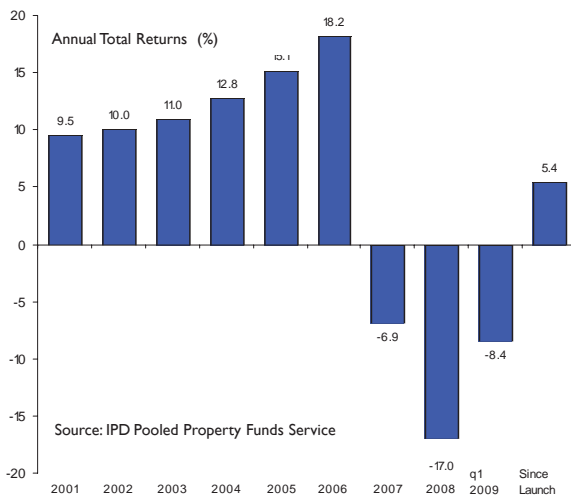


THE CHARITIES PROPERTY FUND FACTSHEET

Investment Objectives

The Fund aims to provide an attractive level of income with the prospect of income and capital growth over the long term by investing in a diversified UK commercial property portfolio. The Fund invests in the three principal sectors: office, retail and industrial but does not invest in speculative developments, or have any borrowings.

Fund Performance



Current Portfolio Strategy

- Bias towards high and secure income.
- No exposure to City of London offices and limited exposure to the High Street.
- Focus on adding value through active management.
- Continue to favour long income streams with fixed rental increases.

Fund Information (as at 31 March 2009)

Launch Date	September 2000
Fund Size	£198 million
No of Investors	856
Distribution Yield	8.9%*
Fund costs (TER)	0.6% per annum
Unit Price	Bid – 86.24 pence Offer – 89.02 pence
Bid/Offer Spread	3.25%**
SEDOL	0208075
Distribution Date	15 May 2009
Last Distribution Payment	2.30p per unit (15/02/09)
Next Dealing Date	30 June 2009 [#]

* Based on the last four distributions (excluding the enhanced distribution in February 2009) divided by the current net asset value

** Assuming Fund fully invested

[#] Applications must be received 14 days prior to the dealing date

Property Manager's Report

The Charities Property Fund is defensively constructed, has no borrowings and benefits from long leases, relatively strong covenants, good diversification (both regionally and across sectors) and a very low void rate. It has performed well against its peers in the 12 months to March 2009 and, although it posted a negative total return for the period of -23.4%, this was better than the average of -27.1% for the IPD PPF All Balanced Funds Index. Whilst it has been disappointing to see commercial property values fall so steeply and so quickly, the Fund is now producing a net yield of 8.9% (compared to the IPD PPF All Balanced Funds Index at 5.9%). The Fund remains the 3rd highest (out of 27 funds) yielding fund in the Balanced Fund Index.

Transactions

There were no sales or purchases over the last quarter.

Active Management

We have always concentrated on securing and increasing income and limiting exposure to voids. We feel this is even more important under current market conditions. The void rate on the Fund now stands at 3.0% whilst, in contrast, the IPD average for All Funds stands at 11.7% (March 2009). As landlords now have the liability for paying empty business rates when a property is vacant, the impact of voids on a fund's distributable income is now significantly greater.

Over the last quarter, we have completed four letting/lease renewals and have another eight in solicitors' hands. Once completed, these will reduce the void rate to 2.25%.

We anticipate that the 2009 distribution will be maintained in line with 2008. This is after having increased the distribution by 3.8% in 2008 and having delivered on average a 3.0% per annum increase in the distribution each year since the Fund launched in 2000.

We continue to add value through active management and have agreed initiatives on two properties where the unexpired lease terms are short at 4 and 5 years respectively, extending them by a further 10 years. We have also increased the income receivable on one of the properties by 25%. In aggregate, not only will this increase the income receivable but is predicted to net the Fund an increase in valuation of over £2.2 million.

CHARITIES



PROPERTY FUND

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PROPERTY FUND

Outlook

- The economic outlook remains bleak and the lack of available finance continues to significantly disrupt the commercial property market.
- Following the -7.7% capital fall in All Property returns in 2007, commercial property values have continued to decline and posted a capital loss of -26.3% for 2008. In the first three months of 2009 we have seen a further easing of 8.9% (IPD Monthly, March 2009).
- The downturn in property has been driven by capital losses across all sectors, with yields continuing to move out and rental growth turning negative. It is likely that rental growth will remain in negative territory for some time.
- Annual total returns were negative in each of the three key commercial sectors in the first quarter (Q1) of 2009, with retail continuing to suffer the most, followed by offices and finally industrial which was also the best performing sector in 2008.

Property market values peaked in June 2007 and since then capital values have fallen in some cases up to 50%. The IPD index lags the market although it is now catching up; IPD is so far showing a 42.9% fall in values from the peak. It is likely to have caught up with the market by the middle of 2009.

Retail remained the weakest commercial property sector in Q1 2009, after having been the worst performer in 2007 and 2008, with the weakness in consumer spending and an oversupply of space leading to tenant failures and increasing void rates. The Charities Property Fund has a weighting of only 8.3% of the Fund to the High Street and Shopping Centres, compared to the IPD Index of 29.6%, putting the Fund in an enviable position.

Demand for office space is waning and rental growth has slowed significantly as the prospects for the economy as a whole have deteriorated. Rental growth was negative across all sectors for November and December 2008 but was particularly bad in the office sector which registered -5.0% for these two months alone. This has continued into 2009 with a further fall of -5.7% in the first three months of this year. This has been led by the City which has been particularly badly hit. The Charities Property Fund benefits from having no City Offices which compares to the Index weighting of 8.9%.

Capital values have been hit hard in the regional industrial and distribution markets during the recent correction, however, this sector now offers a very high income.

Redemptions Please note that redemptions in the Fund are being deferred up to 12 months as detailed in a letter sent to unitholders on 14th December 2007 and covered in subsequent correspondence. If you need further information, please contact Charles Mesquita.

Risk Warning

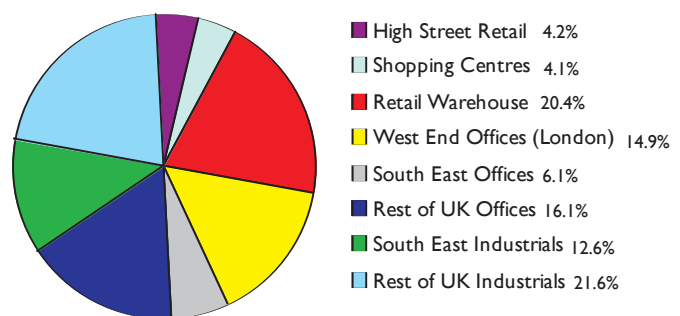
Benefits anticipated in The Charities Property Fund may be affected by changes in UK tax legislation. The price and value of investments and the income derived can go down as well as up, and you may not get back the amount you invest. Past performance is not a guide to future performance. There may be times when property held within the fund may not be readily saleable. This can in some cases cause constraints when encashing units.

The Manager is **Mayflower Management Company** Limited, a wholly owned subsidiary of Rensburg Sheppards Investment Management Limited and a member of the Rensburg Sheppards Group. Registered in England No: 966906. Address: 2 Gresham Street, London EC2V 7QN. Mayflower Management Company Limited and Rensburg Sheppards Investment Management Limited are authorised and regulated by the Financial Services Authority (25 The North Colonnade, Canary Wharf, London, E14 5HS). The Charities Property Fund is a registered charity No: 1080290.

Property Profile

Properties	37
Average property size	£5.2 million
No of tenancies	126
Covenant strength	76% rated as Public Sector or Low Risk. This compares to the IPD Average of 66%
Lease length	8.4 years excluding breaks
Cash on deposit	2.1%
Voids	3.0% of rental value

Portfolio - 31 March 2009



Source: Cordea Savills

Fund Structure & Taxation

The Charities Property Fund was the first Common Investment Fund designed specifically to allow charities to invest in UK commercial property.

As a charity itself, the Fund is exempt not only from stamp duty land tax (currently 4% on property transactions over £500,000) but also capital gains tax and income tax.

Contact Information

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