

THE CHARITIES PROPERTY FUND FACTSHEET

Key Points

- High Yielding (8.7% net as at June 2009)
- Third highest yielding balanced fund
- Low Vacancy Rate (3.3% versus IPD at 12.1%)
- No Borrowings
- Relatively Strong Covenants Compared to IPD New monies available for investment
- No City Office Exposure
- Low Weighting to the High Street

Market Commentary

Economy

Recession slowly lifting, tax take issues but growth coming. The economic outlook remains bleak although there are some signs that the recession is slowly lifting. Growth has turned positive in France, Germany and Japan and the FTSE has made significant gains since the end of March. However the Bank of England has continued with its quantitative easing and it would appear remains less optimistic about the immediate prospects for recovery.

Property Market

Increasing investment activity is being seen in quality assets. There have been a number of best bid situations recently especially for well let south east / London offices and secure retail warehouses which has resulted in a hardening of yields in this area of the market. Interest is mainly from institutions as the lack of available finance continues to restrict interest from debt bidders. Secondary property remains less attractive, however there have been a number of recent transactions albeit at much higher yields.

Sectors

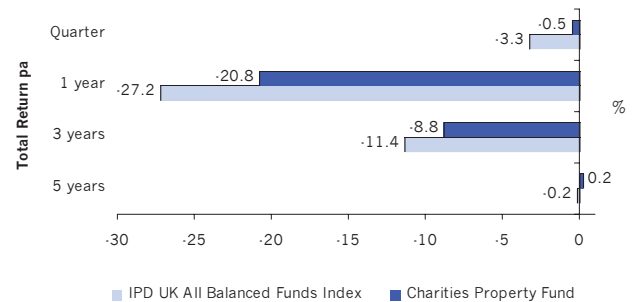
Retail remained the weakest commercial property sector with the slowdown in consumer spending and an oversupply of space leading to tenant failures and increasing void rates.

Demand for **office** space is waning and rental growth has slowed significantly as the prospects for the economy as a whole have deteriorated. This has been led by the City which has been particularly badly hit. The Charities Property Fund benefits from having no City Offices. 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.

Fund Performance

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.

Total returns to 30 June 2009



Although the Charities Property Fund is not specifically measured against the IPD UK All Balanced Funds Index we have outperformed the Index over both the short and longer terms

Portfolio activity

Investment market activity

We have agreed terms to acquire a retail warehouse let at a low level of rent, with 18 years remaining on the lease, to a negligible risk covenant at a yield to the Fund of 7.9%.

Asset management activity

1. Seven new lettings completed this quarter (approximately £200,000 pa of income) helps to keep the void rate at just 3.3% whilst, in contrast, the IPD average for All Funds stands at 11.7% (March 2009). Due to the liability of paying empty business rates on vacant property, the effect of lost income on top of the void rate has increased significantly

2. We have completed a lease extension at the Somerfield Supermarket in Rayleigh, increasing the lease length from 5 to 15 years and increasing the rent by 25%. This has enhanced the value of the asset by over £1.25m

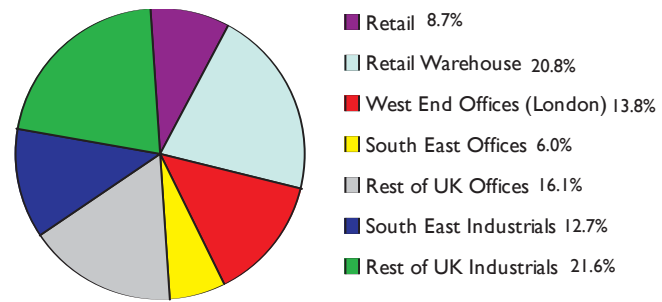
3. We anticipate that the 2009 distribution will be 3% above that for 2008 (in 2008 the distribution increased by 3.8%). The Fund has delivered on average a 3.0% per annum increase in the distribution each year since the Fund launched in 2000.

Somerfield, Eastwood Road, Rayleigh



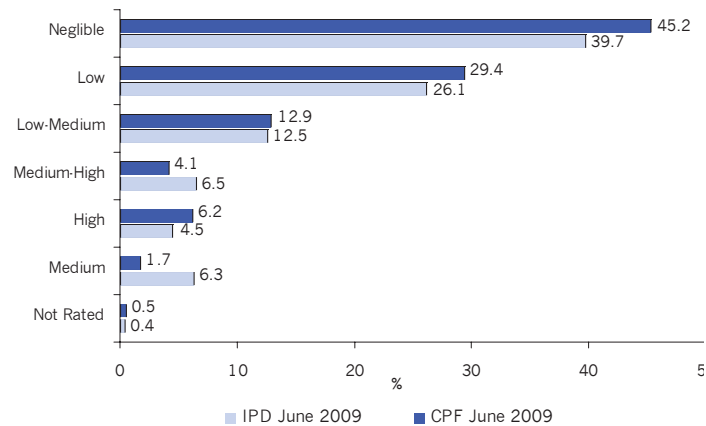
New 15 year lease agreed with Somerfield

Portfolio - June 2009



Source: Cordea Savills

Percentage of Rent



Fund Information (as at 30 June 2009)

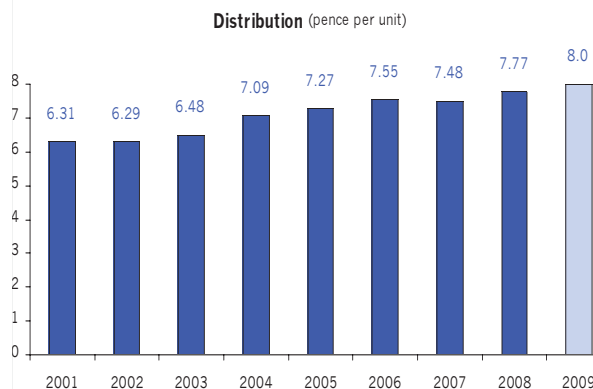
Launch Date	September 2000
Fund Size	£207 million
No of Investors	891
Distribution Yield	8.8% *
Fund costs (TER)	0.6% per annum
Unit Price	Bid – 83.75 pence Offer – 86.46 pence
Bid/Offer Spread	3.25%**
SEDOL	0208075
Distribution Date	15 August 2009
Last Distribution Payment (15/05/09)	2.05p per unit

Next Dealing Date 30 September 2009 #

* Based on the last four distributions (including the additional distribution) divided by the current net asset value

** Assuming Fund fully invested

Applications must be received 14 days prior to the dealing date



Contact Information

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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.

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