

The CBF Church of England Property Fund

Fund Profile – 30 June 2019

The Fund aims to provide investors with a high level of income and long-term capital appreciation.

Prices at 30.06.19

Income shares
Gross dividend yield

Net asset value

137.85p (xd)
5.39%*

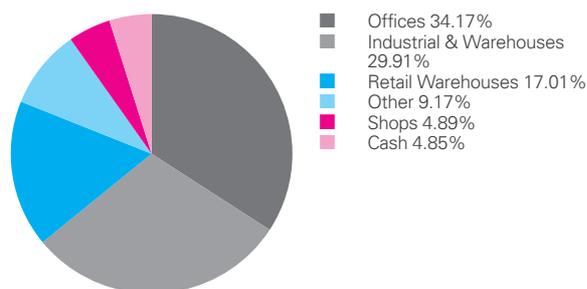
* Based upon the net asset value and an estimated annual dividend of 7.43p

The Property Fund is designed to achieve long term capital growth and a rising income from investments in the domestic commercial property sector.

The portfolio is actively managed and seeks to boost returns by lease and tenant management and property improvement.

The Fund has a broad sector spread to maximise the range of opportunities and through diversification keep risks under control.

Underlying gross asset allocation at 30 June 2019



Underlying property portfolio details

Top 5 properties = 28.1% of portfolio

Top 5 tenants = 18.6% of rental income

Weighted unexpired lease term years 6.4 yrs

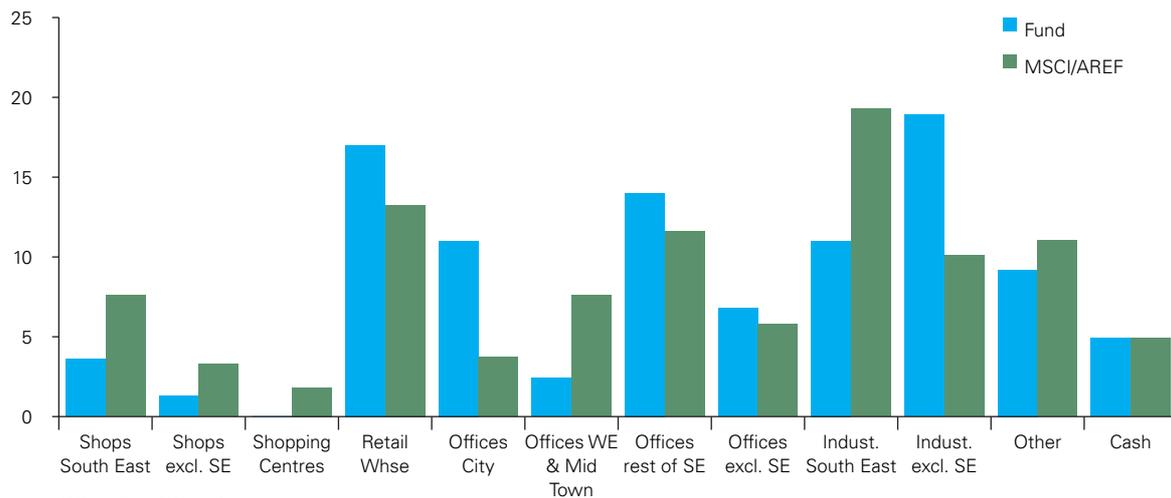
Void rate excluding developments in progress 4.9%

Void rate including developments in progress 6.6%

Fund size: £192 million

Source: CCLA

Underlying asset allocation by region and category at 30 June 2019



Source: CCLA & MSCI/AREF Fund Data and MSCI/AREF UK Other Balanced Quarterly Property Fund Index data as at 30 June 2019

Top ten underlying property holdings at 30 June 2019 – total 43.19%

London, Cannon Street
 The Pavilion Centre, Brighton
 Bracknell, Arlington Square
 Mendlesham, Industrial Estate
 London, Fetter Lane
 Bath, Westside Hotel
 London, College Hill
 Magna Park, Lutterworth
 Solihull, Gate Retail Park
 Bristol, Aztec West

Market update

Commercial property valuations fell over the period, due mainly to weakness in the retail sub-sectors where over supply, poor trading and increased costs all combined to put pressure on profitability. Elsewhere in the sector, although support continued at a high level for industrials and sectors providing assured long-term income, such as hotels, the overall rate of value growth slowed, and the pace of rental increases also reduced. Transaction volumes, which fell in the previous quarter, remained at the lower levels as potential sellers, particularly of retail assets, withdrew instructions in unhelpful conditions. The reduced flow of market data made valuations more subjective and increased volatility at the individual asset level.

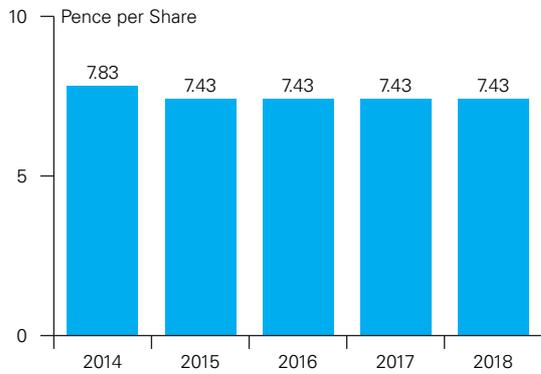
Fund activity

The Fund completed one purchase in the period, a retail park in Solihull at a total cost of £16.1m. An attractive and long lease was agreed on an office asset in Coventry and the Aztec West property near Bristol also achieved a new and extended lease agreement. At the end of the period, cash represented 4.85% of the portfolio. The void rate was 6.6% of which 4.9% was subject to development and refurbishment activity.

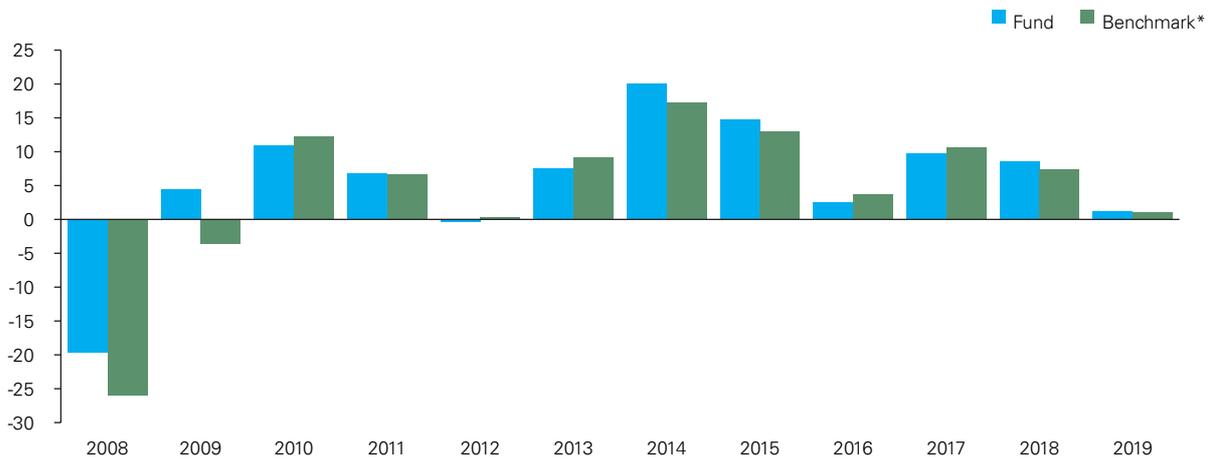
Outlook

Overall, we expect positive returns from the sector albeit sourced substantially from income. Within the sector, we expect the wide dispersion of returns at the sub-sector level to continue. Demand will remain strong for areas where income is secure, but for those where income uncertainty is high the values will remain under pressure.

Dividend history of The CBF Church of England Property Fund



Calendar performance versus the benchmark (net)



* The benchmark is the MSCI/AREF UK Other Balanced Quarterly Property Fund Index.

Performance shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

Source: CCLA & MSCI/AREF

Long term performance

Total return performance (net) 12 months to 30 June

	2019	2018	2017	2016	2015
The CBF Church of England Property Fund	+5.66%	+8.82%	+8.43%	+5.71%	+17.84%
Benchmark	+4.05%	+10.23%	+5.67%	+8.85%	+15.89%

Benchmark – MSCI/AREF UK Other Balanced Quarterly Property Fund Index.

Performance shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

Source: CCLA & MSCI/AREF

Costs and charges

Our policy is always to keep costs and charges low – we believe that high costs and charges have a very damaging cumulative effect on investor returns. We have no entry or exit fees, the only income taken by the investment manager is the annual charge of 0.65%. As the Fund is designed solely for charity investors, with objects connected with the work of the Church of England, the Fund does not pay tax, and there is no stamp duty on UK property investments. Income is paid to investors without any additional tax deductions.

Key facts

Dealing day	Last Tuesday of the month*
Minimum initial investment	£10,000
Dividend payment dates	End February, May, August & November
Annual management charge	0.65% on 1st £100m then 0.5% thereafter (deducted from capital)**
Share type available	Income shares
Sedol number	0539054
ISIN number	GB0005390546

* Dealing instructions must be received by 5pm on the business day preceding the dealing day. If Tuesday is a bank holiday the dealing day will be the previous working day. Shares are only realisable on each monthly dealing date and redemptions may not be readily realisable; a period of notice not exceeding six months may be imposed for the redemption of shares.

** The annual management charge is deducted from capital which may restrict capital growth.

Risk warning and disclosures

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. To ensure you understand whether our product is suitable, please read the Fund Factsheet document and the Scheme Particulars. We strongly recommend you seek independent professional advice prior to investing. Investors should consider the risk factors identified in the Scheme Particulars. Investment in the Funds is only available to charitable trusts with objects closely connected with the work of the Church of England. Past performance is not a reliable indicator of future results. 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. 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. Depositors in The CBF Church of England Deposit Fund should note that CCLA may change the fund documentation to allow for negative interest rates to be passed on to depositors. This means that in the event that interest rates on sterling deposits and instruments become negative, depositors may be charged these negative interest rates instead of earning interest. The CBF Church of England Funds are Common Funds established under The Church Funds Investment Measure 1958 (as amended or replaced from time to time). The Funds are not regulated Funds and are not Alternative Investment Funds. Investments in The CBF Church of England Funds and the Funds, and Investments or Deposits in The CBF Church of England Deposit Funds and the Funds are not covered by the Financial Services Compensation Scheme (FSCS). CCLA Investment Management Limited (registered in England No. 2183088 at Registered office Senator House, 85 Queen Victoria Street, London EC4V 4ET) is authorised and regulated by the Financial Conduct Authority and is the Manager of The CBF Church of England Funds. The CBF Funds Trustee Limited is a Registered Charity No. 1116932 and is registered in England as a company limited by guarantee (No. 5957490). For information about how we obtain and use your personal data, please see our Privacy Notice at <https://www.ccla.co.uk/our-policies/data-protection-privacy-notice>.