Q1 2020 FACTSHEET

DPFC
Diversified Property Fund For Charities

1st OCTOBER 2019 - 31st DECEMBER 2019

FUND OBJECTIVES

- A target distribution yield of 6-7% pa.
- A target IRR of 7-9% over a rolling five year period through maintaining and increasing rental income and targeting capital value increases over the period at least in line with inflation.
- Tax efficient investment in real estate for charity investors.
- A clear investment strategy for a diverse portfolio in the primary real estate sectors
- Focused on multi-let opportunities to diversify occupier and lease event risk and provide a sustainable income stream.
- DPFC utilises the experienced and proven management team's skill set to actively manage the portfolio and drive returns.

KEY FUND DATA

Portfolio value	£64.0m
Net asset value	£63.4m
Number of assets	10
NAV per unit - FRS102 basis	124.54 p.p.u.
NAV per unit - INREV basis	124.85 p.p.u.
Vacancy rate [1]	1.7%
Weighted average lease length to expiry	5.50 years
Weighted average lease length to first break	3.32 years
Nov. 2019 Distribution paid	1.8510 p.p.u.
Distribution for last 12 months	7.3012 p.p.u.
Year end	30-Sep
Total expense ratio (TER)	0.80%
SEDOL number	BXQ9SB8
ISIN number	GB00BXQ9SB85

FUND REVIEW

Distribution

The Fund distribution for this quarter, payable February 2020, is 1.8650p per unit, an annualised 6.0% of the opening NAV.

Total return

DPFC's 1.8% total return over the quarter compared favourably to AREF/MSCI All Funds 0.0% total return. The Fund delivered a total return of 8.3% over the last 12 months (AREF/MSCI All Funds 0.7% total return). 11.6% is DPFC's annualised total return since inception (57% Total return in absolute terms, 32% distributed, 25% NAV growth).

Value Growth

DPFC's portfolio increased in value by 0.3% over the quarter. The MSCI/IPD All Property Index saw values reduce by 1% over the quarter. The portfolio's value growth can be attributed to lease renewal and rent review activity crystalising rental growth in addition to the lower retail weighting (16%) with 83% invested in the industrial and office sectors.

Occupancy

The portfolio was 98.3% occupied at 31st December with 1.7% vacant, comprising two units. MSCI/IPD All Property Index December vacancy rate was 13.5%. The strategy of acquiring good quality, well located, multi-let properties ensures robust occupier demand and smooths lease events.

Investment Strategy

DPFC's investment strategy is clear and targets:

- Multi-let properties, a sub-sector of the property market often undervalued with diverse rental income streams spreading occupier risk;
- Well located properties where tenants want and need to be;
- £3m - £12m properties, a strata of the market too large for most private investors and too small for most institutions, resulting in acquisitions at attractive income yield; and
- Assets suitable to being actively asset managed in line with each property's individual five year asset plans detailing how to deliver performance.

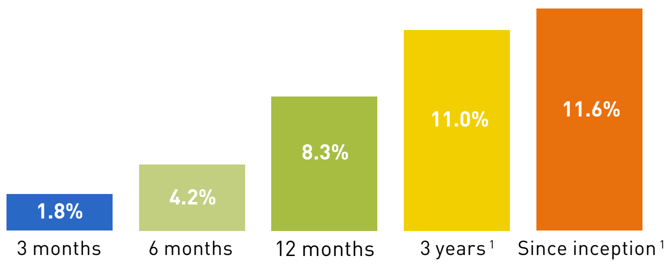
Asset Management

The portfolio is made up of 74 tenancies, 75% of which have covenants classified by D&B as "Minimal" or "Lower than average" risk. Diversity of occupiers not only mitigates tenant specific risk but also provides more asset management opportunities. 84% of the portfolio is in the office and industrial sectors which are demonstrating strong rental growth. At 35 Hills Road, Cambridge the office rent increased by 20% in October due to taking a lease surrender from tenants who leased part of the building and then leasing the whole property to another existing tenant with an excellent covenant. At Inner City Trading Park in Glasgow the rental evidence created on the park helped complete a rent review with an electrical wholesaler increasing the rent by 17%, in addition, the tenant agreed to remove their break option. In December an office suite letting at Riverside House, Maidstone was completed to an international bank with a substantial covenant for a 10 year term. The rental agreed was 13% above the estimated rental value of the accommodation. Preparing and implementing five year asset management plans which are unique to each property and combine occupier and market forces, are crucial to optimise the potential for each asset. Ensuring occupiers needs are met enhances rental income streams, reduces voids and supports capital growth.

Property Investment Market

- The "Brexit" General Election held in December gave the Conservative Party a clear majority and mandate to implement Brexit. With the Withdrawal Agreement now completed the future trading relationship negotiations with the EU will dominate the headlines, impacting on investor sentiment in both directions.
- Investment transaction volumes for 2019 amounted to c. £48bn, 23% down year on year, impacted by uncertainty over Brexit and the General Election. Overseas investors were particularly active in 2019 accounting for 49% of transactions with North American equity being particularly evident.
- The evolution of retailing and it's impact on retail properties continues. Transaction volumes are subdued with Local Authorities being active purchasers in their local areas. Reduced occupier demand is feeding into rental levels and low transaction volumes are challenging for valuers. DPFC's cautious view of retail investments is evidenced by a 16% sector weighting.
- Demand from industrial and distribution occupiers remains strong which is fuelling rental growth and investor sentiment especially in the South East due to the lack of development land and alternative use development eroding supply.
- The office sector in the regions is performing well with good take-up and limited supply. Investment demand for Central London offices is more subdued despite a lack of supply resulting in rental growth.

HISTORIC TOTAL RETURNS



1. Annualised

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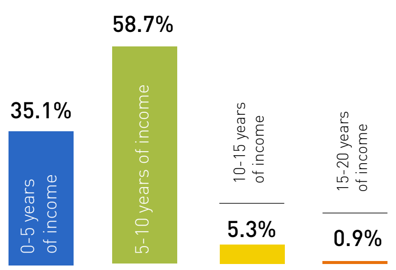
MAJOR TENANTS

Ten largest tenants by income	D & B Category	
Allianz Management Services Ltd	Higher than average risk	6%
DSG Retail Ltd	Lower than average risk	6%
Go Outdoors Ltd	Lower than average risk	5%
JD Sports Gyms Ltd	Minimum Risk	4%
MTD (UK & Ireland) Ltd	High risk	4%
Halfords Ltd	Minimum Risk	3%
Graham Tiso Ltd	Lower than average risk	3%
Valutech Ltd	Higher than average risk	3%
Frost Bodyshop Ltd	Minimum Risk	2%
Crowe UK LLP	Minimum Risk	2%
Total proportion of rent roll		**38%**

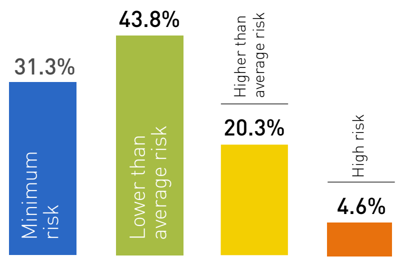
GLOSSARY

NAV per unit	Net Asset Value of the Trust prepared at the reporting date divided by units in issue
FRS102	Accounting basis on which accounts are prepared
INREV	European Association for Investors in Non-Listed Real Estate Vehicles. Utilising their reporting recommendations certain costs related to vehicle setup and property acquisition are added back to net assets and amortised over a five year period
SEDOL & ISIN numbers	UK and International identifier of The Diversified Property Fund for Charities as an investment security
D&B	Dun & Bradstreet provide data and analysis which is used to determine credit worthiness and relative risk of tenants
p.p.u	Pence per unit
Historic Total Returns	Calculated over the reference period as the sum of closing NAV per unit less opening NAV per unit plus distributions per unit all divided by opening NAV per unit

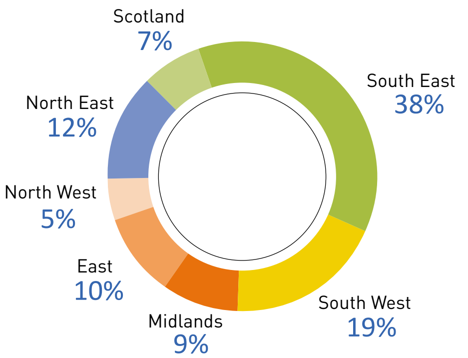
LEASE EXPIRY PROFILE (EXCL. BREAK OPTIONS)



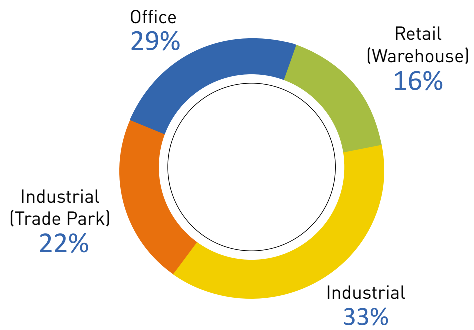
TENANT COVENANTS BY D&B RISK RATING



PORTFOLIO ANALYSIS BY LOCATION



PORTFOLIO ANALYSIS BY SECTOR



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