

1st JANUARY 2019 - 31st MARCH 2019



FUND OBJECTIVES

A target distribution yield of 6-7% pa. Deliver a target IRR of 7-9% over a rolling five year period through maintaining and increasing rental income and targeting capital value increases at least in line with inflation.

Tax efficient investment for charity investors.

A clear investment strategy for a diverse real estate portfolio in the primary sectors

of industrial, retail and offices. Focused on multi-let opportunities to diversify occupier and lease event risk to provide a sustainable income stream.

Utilise the experienced and proven management team's skill set to actively manage the portfolio and drive returns.



KEY FUND DATA

Portfolio value	£63.2m
Net asset value	£62.6m
Number of assets	10
NAV per unit - FRS102 basis	122.98 p.p.u.
NAV per unit - INREV basis	123.48 p.p.u.
Vacancy rate ¹	1.3%
Weighted average lease length to expiry	5.84 years
Weighted average lease length to first break	3.74 years
February 2019 Distribution paid	1.7996 p.p.
Distribution for last 12 months	7.1056 p.p.u.
Year end	30-Sep
Total expense ratio (TER)	0.83%
SEDOL number	BXQ9SB8
ISIN number	GB00BXQ9SB85

¹ 2.0% excluding rent guarantees.

FUND REVIEW

Distribution

The Fund distribution in respect of this quarter is 1.7996p per unit, an annualised 5.99% of the opening NAV.

Total return

The Fund return since inception is 12.0% annualised. DPFC delivered a total return of 2.5% over the quarter (AREF/MSCI All Funds 0.3% total return). Over the last 12 months DPFC's total return of 10.2% AREF/MSCI All Funds 4.1% total return.

Performance

A Total Return of 50% has been achieved by the Fund since inception (February 2015) through to 31st March 2019. This has comprised of a distribution of 26.71p per unit (27%) and NAV growth to 122.98p per unit (23%).

Value Growth

DPFC's portfolio increased in value by 0.94% over the quarter. The lettings and lease renewals have evidenced rental growth resulting in higher rents being capitalised. Strong rental growth has been seen in the industrial and office sectors, 82% of DPFC's portfolio. The MSCI/IPD All Property Index saw values decrease by 0.7% over the quarter.

Occupancy

The vacancy rate at 31st March was 1.3%, a letting on 1st April reduced this to 0.7% (MSCI/IPD All Property Index March vacancy rate 12.1%). The investment strategy is to acquire well located properties where strong occupier demand leads to a lower vacancy rate and reduced void costs.

Investors

There are currently 18 charities invested in DPFC which come from a diverse range of charitable sectors. However, common to all DPFC's investors is they see property as a medium-long term investment. This quarter new units have been issued to new and existing investors.

Investment Strategy

DPFC's investment strategy remains clear and unaltered. DPFC's strategy amplifies returns in buoyant markets and mitigates the impact of more challenging conditions. DPFC invests in multi-let properties, a sub-sector of the property market often undervalued, with diverse rental income streams spreading occupier risk. DPFC holds well located properties where tenants want and need to be. The average lot size of a property is c. £6m, which is a strata of the market too large for most private investors and too small for most institutions enabling acquisitions in a less competitive arena at attractive income yields. The properties are closely asset managed in line with their individual 5 year asset plan detailing how performance can be achieved.

Asset Management

Rental growth on office and industrial properties owned by the Fund continues to be strong. The 24,000sqft office property on Clarendon Road, Watford has a diverse occupier base of 13 tenants. One of the tenants exercised their break option. The unit was refurbished over two months and re-let at more than £30 psf, a 33% increase on the rent paid by the previous occupier. On 1st April a c. 5,000sqft industrial unit at Kiln Farm Industrial Estate in Milton Keynes was let at £7.00 psf. This reflects a 75% increase since acquisition in 2015.

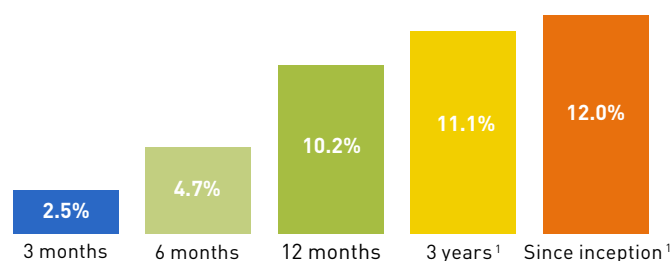
The Economy

- UK GDP reduced to 0.2% Q4 2018 (0.6% Q3 2018) due to Brexit and global economic slowdown.
- Economic activity likely to continue to be subdued as composite purchase manager's index at 50 for March.
- Low inflation, CPI 1.9% February.
- 0.75% Base rate and £435Bn Quantitative Easing unchanged.
- Limited supply of office and industrial accommodation resulting in rental growth and low vacancy rates as experienced by DPFC with 82% of the portfolio in these sectors.

Property Investment Market

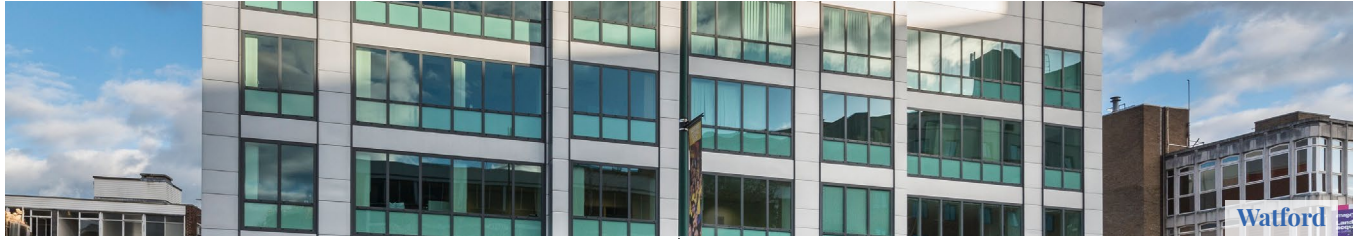
- Brexit uncertainty saw Q1 2019 investment volumes at £9.7Bn, down c.40% below the five year average.
- Overseas investors account for 50% of all transactions with a London focus.
- Industrial and some office assets preferred by investors due to rental growth projections.
- Retailing continues to evolve as the impact of online retailing is felt. Retailers with physical store portfolio's are not competitive relative to online retailers. Some retail subsectors are performing better, eg Out of Town or Central London retail. DPFC's cautious view of retail (18% of the portfolio) has helped returns.

HISTORIC TOTAL RETURNS



¹ Annualised

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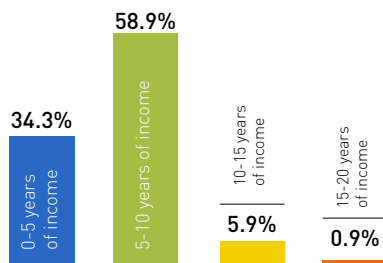
MAJOR TENANTS

Ten largest tenants by income	D & B	
Allianz Management Services Ltd	Minimum Risk	7%
DSG Retail Ltd	Minimum Risk	6%
Go Outdoors Ltd	Minimum Risk	5%
JD Sports Gyms Ltd	Lower than average risk	4%
MTD (UK & Ireland) Ltd	Higher than average risk	4%
Halfords Ltd	Minimum Risk	3%
Graham Tiso Ltd	Minimum Risk	3%
Valutech Ltd	Minimum Risk	3%
Frost Bodyshop Ltd	Lower than average risk	2%
Crowe UK LLP	Minimum Risk	2%
Total proportion of rent roll		39%

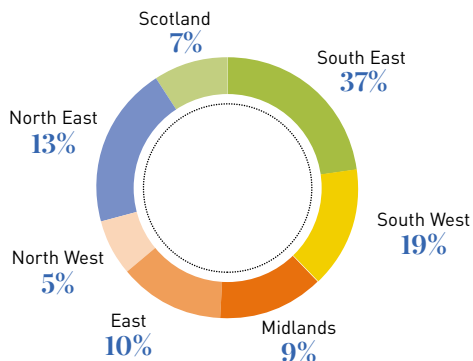
GLOSSARY

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

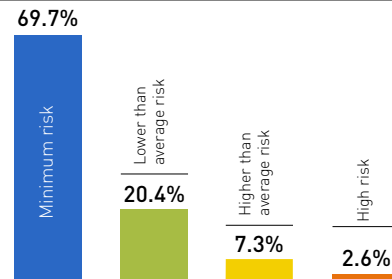
LEASE EXPIRY PROFILE (EXCL. BREAK OPTIONS)



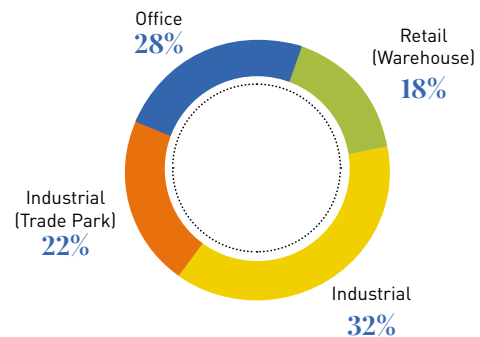
PORTFOLIO ANALYSIS BY LOCATION



TENANT COVENANTS BY D&B RISK RATING



PORTFOLIO ANALYSIS BY SECTOR



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