

1st JULY 2016 - 30th SEPTEMBER 2016



FUND OBJECTIVES



- » A target distribution yield of 6-7% pa
- » 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 property investments which provide a diverse and sustainable income stream
- » 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
- » Utilise the experienced and proven management team's skill set to actively manage the portfolio and drive returns

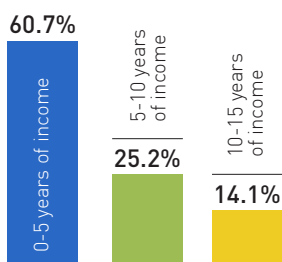
FUND MANAGER'S REVIEW



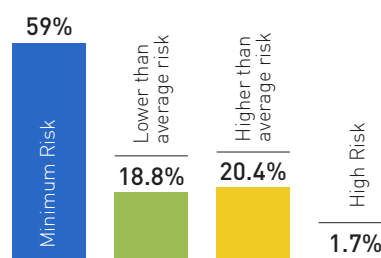
- » The Fund distribution for this quarter is 1.6970p per unit, equivalent to 6.24% annualised
- » The Fund return since inception is 11.29%, annualised
- » All initial & subsequent investor subscriptions will be placed with the purchase of an office property on Watford's Clarendon Road
- » DPFC currently has the capacity to accept immediate investments into the fund
- » The vacancy rate across the portfolio has reduced from 4.70% in June to 0.94% reflecting the letting activity in Milton Keynes, Swindon and Northampton. There is now only one vacant unit remaining across the portfolio which is currently being refurbished
- » The period since the EU referendum initially saw increased volatility in investment markets as a reaction to the uncertainty from the leave vote. As confidence has returned the property market has recovered in most sectors
- » Following the referendum DPFC has had no redemption requests with all investors confirming they are long term investors in DPFC
- » DPFC's business model is to deliver a sustainable distribution yield through observing an Investment Operating Criteria of diversification. Diversity of tenant, location and sector are sought to deliver a reoccurring distribution yield whilst at least maintaining values in real terms. This strategy has enabled DPFC to deliver another quarter of attractive returns for its investors
- » I would like to thank our investors for their continued support and appreciation that the DPFC business model is well designed to continue to perform in these challenging times

0.9% Vacancy rate

LEASE EXPIRY PROFILE (EXCL BREAK OPTIONS)



TENANT COVENANTS BY D&B RISK RATING



KEY FUND DATA



Portfolio value	£42.6m
Net asset value	£42.7m
Number of assets	8
NAV per unit - FRS102 basis	109.27 p.p.u.
NAV per unit - INREV basis	110.26 p.p.u.
Vacancy rate	0.94%
Weighted average lease length ¹	3.98 years
Q3 Distribution paid (August 2016)	1.6786 p.p.u.
Distribution for last 12 months	6.7296 p.p.u.
Year end	30-Sep
Total expense ratio (TER) ²	0.89%
SEDOL number	BXQ9SB8
ISIN number	GB00BXQ9SB85

1. Earlier of break or expiry
2. TER is calculated as total fund expenses divided by NAV. TER on a stabilised basis assuming £200m fund size, is 0.65%

HISTORIC TOTAL RETURNS



Period	%
3 months	2.9%
6 months	4.4%
12 months	9.7%
Since Inception*	11.3%

* Annualised

MAJOR TENANTS



Ten largest tenants by income

DSG Retail Ltd	15%
Go Outdoors Ltd	7%
Halfords Ltd	5%
Graham Tiso Ltd	4%
Hardware Services Ltd	4%
Valutech Ltd	3%
Ionic Systems Ltd	3%
Gareth John Training Limited	3%
Archive Document Data Storage	3%
Johnan UK Ltd	3%
TOTAL	50%

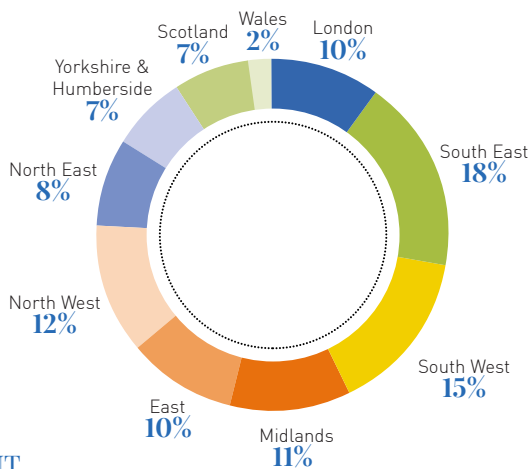
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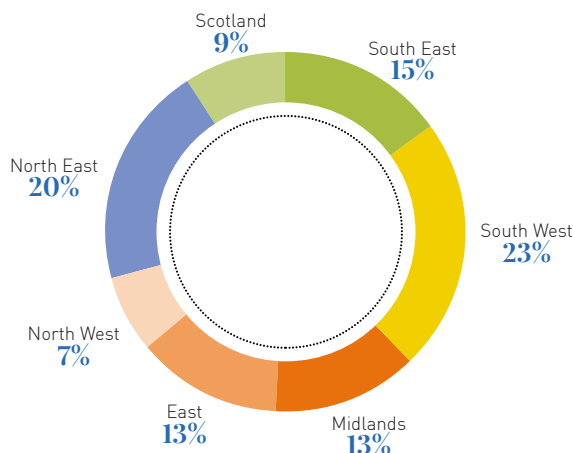
PORTFOLIO ANALYSIS BY LOCATION



TARGET



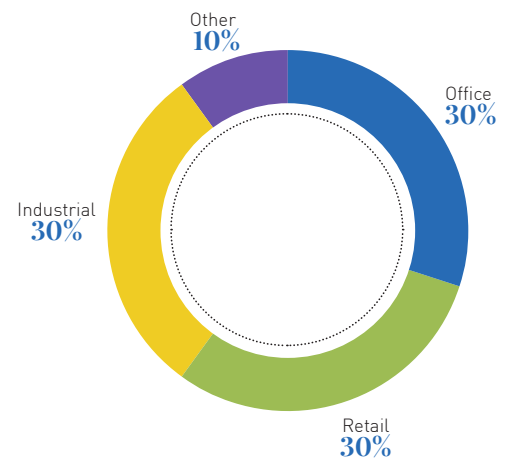
CURRENT



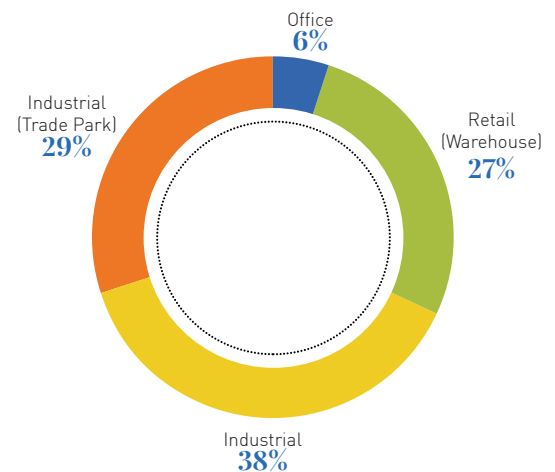
PORTFOLIO ANALYSIS BY SECTOR



TARGET



CURRENT



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	Dunn & Bradstreet provide data and analysis which is used to determine credit worthiness and relative risk of tenants
p.p.u	Pence per unit
Historic Fund 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



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