

1st JANUARY 2020 - 31st MARCH 2020



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	£63.0m
Net asset value	£62.8m
Number of assets	10
NAV per unit - FRS102 basis	122.54 p.p.u.
NAV per unit - INREV basis	122.76 p.p.u.
Vacancy rate ¹	1.7%
Weighted average lease length to expiry	5.61 years
Weighted average lease length to first break	3.41 years
Feb. 2020 Distribution paid	1.8650 p.p.u.
Distribution for last 12 months	7.3666 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 in May 2020, is 1.7530p per unit, an annualised 5.6% of the opening NAV and 94% of the previous quarter's distribution. We are mindful of how important the distribution is to investors in DPFC, however a modest reduction is prudent as not all tenants are paying their rents promptly.

Total return

DPFC's -0.1% total return over the quarter compared favourably to AREF/MSCI All Funds -1.3% total return. The Fund delivered a total return of 5.6% over the last 12 months (AREF/MSCI All Funds 0.0% total return). DPFC's annualised total return since inception is 11.0% (57% total return in absolute terms, 34% distributed, 23% NAV growth).

Value Growth

The value of the DPFC portfolio reduced by 1.5% over the quarter compared to the MSCI/IPD All Property Index decrease of 2.8% over the quarter. Values have remained broadly neutral over the quarter save for the retail sector which has been most impacted by Covid-19. The structure of the DPFC portfolio with a relatively low retail weighting of only 16% has supported DPFC's performance relative to the benchmark as has the rental growth evidenced in lease renewal, lettings and rent review transactions during the quarter.

Occupancy

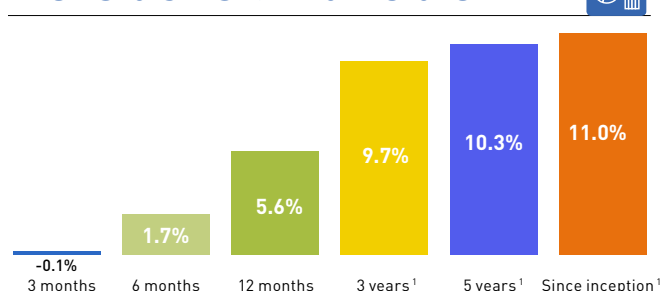
The portfolio was 98.3% occupied at 31st March with 1.7% vacant, comprising two units. AREF/MSCI All Funds Index March vacancy rate was 9.3%. The strategy of acquiring good quality, well located multi-let properties ensures robust occupier demand and smooths lease events.

Investment Strategy

DPFC's investment strategy is clear and targets:

- Multi-let properties, a sub-sector of the property market often under-valued 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 plan detailing how to deliver performance.

HISTORIC TOTAL RETURNS



Asset Management

- The Covid-19 pandemic has seen Governments across the globe temporarily restrict the movement of their people and provide huge financial support. Many businesses are suffering and this has been particularly evident in the retail, leisure and travel/tourism sectors. The ability of DPFC's tenants to pay their rent is impacted. The period this factsheet relates to is January to March 2020 for which the rent was principally paid in December, pre-Covid-19. Over 70% of the March quarter's rent has been collected with payment plans, which are considered on a case by case basis, being discussed or agreed for over half of the remaining amounts due. Whilst we are endeavouring to support occupiers where necessary with payment plans, we are very mindful how important the distributions are to DPFC's investors which is highlighted to tenants, especially those who are able to pay their rent but prefer not to.
- An asset plan is prepared for each of the 10 properties in the portfolio optimising the potential to enhance rental income and property value. There are currently 75 tenancies in the portfolio and 79% of the rental income they generate is from tenants with covenants D&B risk rated as "minimal" or "lower than average". The strategy is to have a financially strong diverse tenant base
- Maintaining high occupancy levels optimises rental income and mitigates void costs. At Westergate Industrial Estate in Swindon an existing tenant, PRP Optoelectronics (PRP), needed additional accommodation. Prior to the lease expiry of another occupier on the estate we were able to agree terms for PRP to lease both units for a clear 10 year term. The new rent was in line with the increasing rental tone at the property of c.£7 per sqft. At purchase in 2015 the rents were c.£4 per sqft. Whilst letting transactions have slowed down during Covid -19 lockdown, one of the two vacant units in the portfolio has progressed well with an agreed lease now ready to be signed.

Property Investment Market

- Investment property transaction volumes over the quarter were reduced with £12.5bn being achieved over the quarter to the end of March, £4.7bn of which was a single student housing portfolio transaction.
- Since the arrival of Covid-19, transaction volumes have reduced further providing very limited comparable evidence for valuers resulting in valuers introducing a "material uncertainty" clause in their valuations.
- Covid-19 Government guidance has seen all but essential retailers close adding to the troubles for a sector which is already undergoing significant change as online retailing continues to grow. The DPFC portfolio has only a 16% weighting in out of town retail and is fully occupied.
- The office sector outside of London has experienced strong rental growth due to the limited level of speculative development seen since the Global Financial Crisis. As office workers have been encouraged to work from home during the Covid-19 pandemic, demand may be subdued where remote working has been effective.
- The industrial sector has benefited from growth in online retail. In particular demand for "last mile" industrial units from logistics firms has supported rental growth. Alternative higher value land uses, especially residential, for urban industrial estates is constraining supply, adding to rental growth pressures. The DPFC portfolio is weighted 56% in the industrial sector.

Communication

- We are actively communicating with all tenants and our investors during these difficult times. Please do not hesitate to contact us if we can provide any further information.

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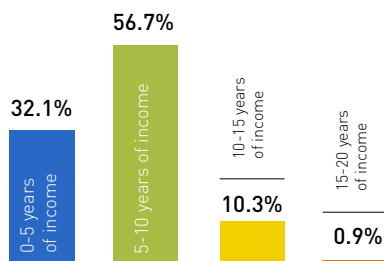
MAJOR TENANTS

Ten largest tenants by income	D & B Category	
Allianz Management Services Ltd	Lower than average risk	6%
DSG Retail Ltd	Minimum Risk	6%
Go Outdoors Ltd	Higher than average risk	5%
JD Sports Gyms Ltd	Minimum Risk	4%
First Intuition Cambridge Ltd	Minimum Risk	4%
MTD (UK & Ireland) Ltd	High risk	4%
Halfords Ltd	Minimum Risk	3%
Graham Tiso Ltd	Lower than average risk	3%
PRP Optoelectronics Ltd	Minimum Risk	3%
Valutech Ltd	Higher than average risk	3%
Total proportion of rent roll		41%

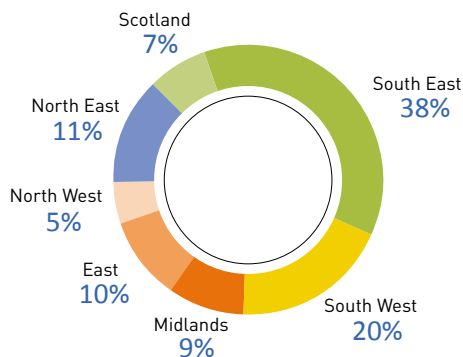
GLOSSARY

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

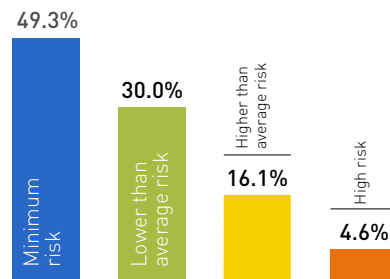
LEASE EXPIRY PROFILE (EXCL. BREAK OPTIONS)



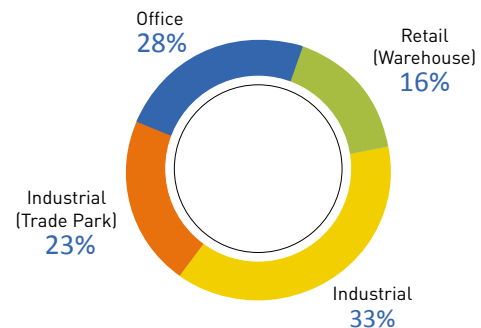
PORTFOLIO ANALYSIS BY LOCATION



TENANT COVENANTS BY D&B RISK RATING



PORTFOLIO ANALYSIS BY SECTOR



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