

1st APRIL 2024 - 30th JUNE 2024



Key Fund Data

Portfolio value	£85.0m
Net asset value	£80.1m
Number of assets	12
NAV per unit - FRS102 basis	137.68 p.p.u.
NAV per unit - INRECV basis	137.75 p.p.u.
NAV per unit - MSCI/AREF basis	135.73 p.p.u.
Vacancy rate	5.9%
Weighted average lease length to expiry	3.70 years
Weighted average lease length to first break	2.59 years
May 2024 Distribution paid	1.9380 p.p.u.
Distribution for last 12 months	7.6950 p.p.u.
Year end	30-Sep
Total expense ratio (TER)	0.89%
SEDOL number	BXQ9SB8
ISIN number	GB00BXQ9SB85

Fund Objectives

- Deliver a sustainable, growing distribution and a target IRR of 7-9% over a rolling five years.
- Tax efficient investment in real estate for charity investors.
- Provide a sustainable income stream from a diverse portfolio of multi-let investments which diversify location, sector, occupier and lease event risk.



Investment Strategy

- DPFC's clear investment strategy 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
 - Active asset management of properties in line with each property's individual five-year asset plan detailing how to deliver performance.

Occupancy

The portfolio was 94.1% occupied at 30th June with 5.9% vacant (AREF/MSCI All Funds 10.4%), broadly the same as the prior quarter. Since the quarter end further lettings have resulted in a 4.7% vacancy rate. Once lettings on the units currently under offer complete the vacancy rate will reduce to 3.7%. Since inception DPFC has had an average void rate of 3.0%. The void rate is calculated using the current estimated market rent for vacant units as a percentage of the Fund's total rental income.

Fund Review

DPFC's Total Return is supported by both resilient income and capital gains. This quarter capital works refurbishing assets and asset management improvements have supported valuation growth resulting in benchmark outperformance. Additionally, the letting up of vacant accommodation is supporting the distribution.

Distribution

The Fund's distribution for the June 2024 quarter, to be paid in August 2024, is 1.9576p per unit, an annualised 5.74% of the opening NAV. DPFC's distribution objective continues to be met. Since inception the distribution has grown by an average of 1.9% pa and increased or been maintained each year.

Total return

A 2.4% Total Return was delivered by DPFC over the quarter (AREF/MSCI All Funds 1.1% total return). Over the last 12 months DPFC's Total Return was 5.7% (AREF/MSCI All Funds 0.1%). Total returns of 6.9%pa and 8.1%pa have been achieved over 3 and 5 years respectively (AREF/MSCI All Funds 0.6% and 1.5% respectively). Since inception DPFC has delivered a 9.6% Total Return annualised (104% total return in absolute terms, 66% distributed, 38% NAV growth).

Capital Growth

DPFC's portfolio valuation increased by 2.1% over the quarter, it's sixth consecutive quarter of growth. (MSCI All Property Index 0.3%). Over the quarter, DPFC's industrial assets (68% of portfolio) increased in value by 1.4% (MSCI 0.9%). Values of the Fund's office property (15% of the portfolio) increased by 7.6% (MSCI -1.6%) as refurbishment capital expenditure flowed through to valuations. The Fund's retail warehouse asset values (17% of the portfolio) were broadly static (MSCI 1.0%).

Asset Management

A five year asset plan is developed for each of the properties in the portfolio which focuses on enhancing the quality and quantity of the income which, in turn, enhances the capital value. The industrial sector continues to evidence attractive levels of rental growth. At Inner City Trade Park, Glasgow a lease extension has been completed evidencing £11 psf, a new high for the estate. At Kiln Farm Industrial Estate in Milton Keynes a letting has been completed at £9.50 psf, a rental

tone now sufficiently evidenced in transactions to be adopted by the Fund's independent valuers Knight Frank. Post quarter end the office property owned by DPFC on Hills Road, Cambridge has been sold following an approach from a local purchaser at an attractive level which will add to the Fund's 2024 performance. The portfolio vacancy rate peaked at 8.7% in December. The asset management activity on the portfolio has seen this reduce post quarter end to 4.7%. When lettings of other units under offer complete the vacancy rate reduces to 3.7%.

ESG

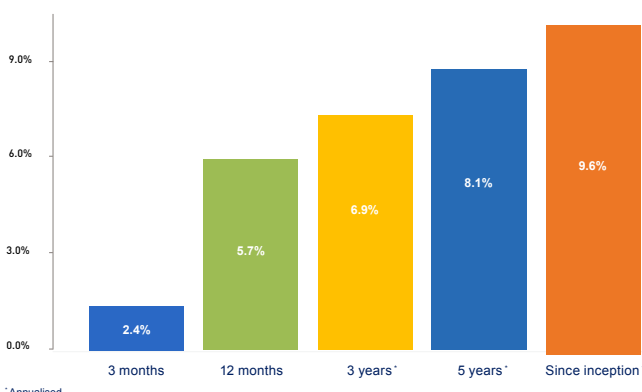
DPFC seeks to minimise the impact on the environment whilst we transition to a net zero carbon society. As such, DPFC is focused on preventing pollution and proactively complying with current and evolving environmental legislation in addition to improving social performance across the portfolio and ensuring the highest level of governance. Being able to assess and analyse the energy use and efficiency at a portfolio and unit level is key to delivering on DPFC's sustainability objectives which can be evidenced through theGRESB Benchmark matrix. Through working with advisors EVORA we are now able to digitally capture the energy use by occupiers. This data captured will form a base level from which to plan DPFC's Net Zero Carbon Route Map. Lease events are used as opportunities to actively engage tenants in considering not only how to improve a unit's energy performance but also assess the potential to install PV solar or EV charging points. The refurbishment works required at Medway Bridge House, Maidstone provided the opportunity to enhance the EPC rating to an EPC A.

Property Investment Market

Investment transaction volumes in June slowed to £3.8bn which is broadly 20% below their 5 year average. For the first half of 2024, investment volumes totalled £22.3bn, up from £21.8bn for the same period in 2023. Investment activity has been subdued as investors await interest rate cuts in the second half of the year. The Bank of England's Monetary Policy Committee cut the Base Rate by 0.25% to 5.0% at their August meeting and further reductions are anticipated during H2 2024. This will benefit the capital aspect of total returns, however the income aspect of DPFC's total returns has remained resilient throughout.

- Retail investment volumes reached £3.4bn for H1 2024 and, whilst this is 22% down on the same period in 2023, yield contraction is now evident on assets where the rents have been rebased. "All retail" rents increased on average by 0.85% per month in May and June. 17% of the DPFC portfolio is invested in retail warehouses a retail sub-sector aligned to occupier's multi-channel retailing model and customer convenience.
- Office investment volumes increased from £340m in May to £540m in June, although still some way below their five year monthly average of £1.3bn. For H1 2024 £3.3bn of office assets have transacted, 40% below the same period in 2023. Office occupiers are targeting the best quality Grade A office space which is now in limited supply resulting in c. 2.5% rental growth across regional markets, above the 1.2% five year average. Whilst yields are starting to compress for the best quality assets, values remain challenged by investor's concerns over perceived occupier demand and the legal requirements of MEES.
- Industrial investment volumes for H1 2024 were £4.3bn, 21% less than the same period in 2023. Whilst yields are now reported to be c.150bp higher than in 2022, the impact has partially been offset by continued rental growth, which reached 6.3% pa over the year to June. Constrained supply supports continued rental growth in the multi-let urban industrial sector favoured by DPFC as it is aligned to E-commerce and convenience.

Historic Total Returns



Outlook

With inflation down to 2.0% and the Bank of England having made it's first cut to the Base Rate with further cuts expected this year, investor sentiment and yields are expected to improve. Occupier demand for DPFC's asset managed portfolio is seeing the vacancy rate decline, enhancing the rental income. The strong financial covenants of tenants in the portfolio enables prompt rent collection which combined with DPFC's clear investment strategy and asset management activity enables the Manager to believe DPFC is well placed to continue to deliver the investment objectives.

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Maidstone

Major Tenants



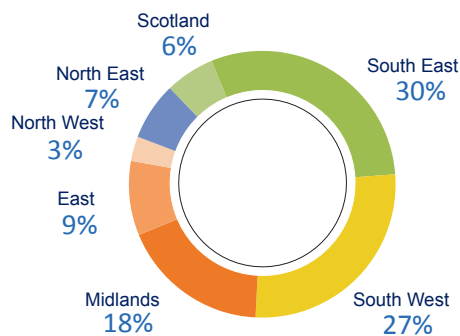
Ten largest tenants by income	D & B Category	
Wickes Building Supplies Ltd	Minimum Risk	7%
Telenco UK Ltd	Lower than average risk	5%
Currys Group Ltd	Minimum Risk	4%
Go Outdoors Retail Ltd	Lower than average risk	4%
MTD (UK & Ireland) Ltd	High risk	4%
JD Sports Gyms Ltd	Lower than average risk	3%
First Intuition Cambridge Ltd	Minimum Risk	3%
Gridserve Holdings Ltd	Lower than average risk	3%
Frost Bodyshop Ltd	Minimum Risk	3%
Graham Tiso Ltd	Higher than average risk	3%
Total proportion of rent roll		39%

Glossary

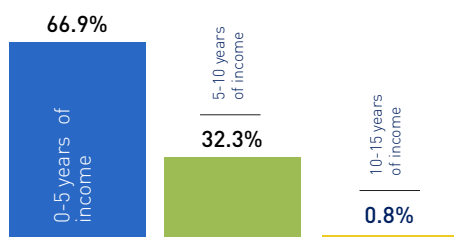


AREF	Association of Real Estate Funds
D&B	Dun & Bradstreet provide data and analysis which is used to determine credit worthiness and relative risk of tenants
FRS102	Accounting basis on which accounts are prepared
Historic Total Returns	Calculated over the reference period as the sum of closing NAV per unit less opening NAV per unit plus distributions per unit all divided by opening NAV per unit
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
MEES	Minimum Energy Efficiency Standards
MSCI	Morgan Stanley Capital International
MSCI / AREF All Funds Index	Fund level quarterly returns index prepared by MSCI / AREF
MSCI All Property Index	Property level monthly returns index prepared by MSCI
MSCI/AREF basis	Adopting this methodology the proposed distribution otherwise payable in the following quarter is deemed paid at the period end and deducted from NAV (FRS102)
NAV per unit	Net Asset Value of the Trust prepared at the reporting date divided by units in issue
NIY	Net Initial Yield
p.p.u	Pence per unit
RY	Reversionary Yield
SEDOL & ISIN numbers	UK and International identifier of The Diversified Property Fund for Charities as an investment security

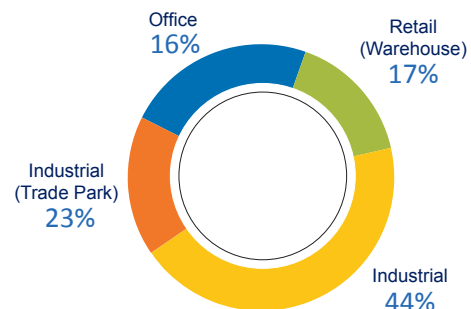
Portfolio Analysis By Location



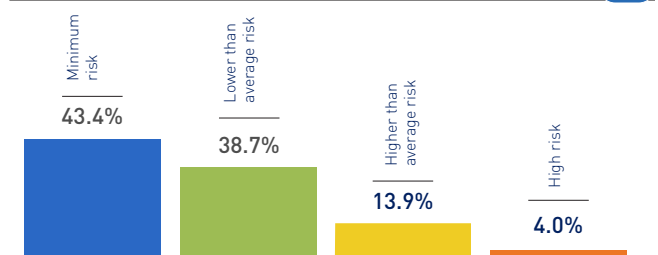
Lease Expiry Profile (Excl. Break Options)



Portfolio Analysis By Sector



Tenant Covenants By D&B Risk Rating



Paul Hodgson,
Eskmuir FM Limited
Appointed Representative of Fund Manager

✉ Eskmuir FM Ltd, 8 Queen Anne Street, London, W1G 9LD

☎ T. 020 7436 2339

🌐 www.dpfc-eskmuir.co.uk

Prepared by Eskmuir FM Limited, Appointed Representative of Boston & Alexander LLP, Fund Manager to DPFC registered as an AIFM with The Financial Conduct Authority under Firm reference number 543477.

Boston and Alexander LLP, 8-10 Hill Street, London, W1H 5NQ

www.bostonandalexander.com