Q2 2024 FACTSHEET

DPFC Diversified Property Fund For Charities

1st JANUARY 2024 - 31st MARCH 2024

Fund Objectives

- Deliver a sustainable, growing distribution and a target IRR of 7-9% over rolling five year periods.
- 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.

Key Fund Data

Portfolio value	£83.3m
Net asset value	£79.3m
Number of assets	12
NAV per unit - FRS102 basis	136.36 p.p.u.
NAV per unit - INREV basis	136.44 p.p.u.
NAV per unit - MSCI/AREF basis	134.42 p.p.u.
Vacancy rate	6.0%
Weighted average lease length to expiry	3.89 years
Weighted average lease length to first break	2.78 years
February 2024 Distribution paid	1.9190 p.p.u.
Distribution for last 12 months	7.6760 p.p.u.
Year end	30-Sep
Total expense ratio (TER)	0.85%
SEDOL number	BXQ9SB8
ISIN number	GB00BXQ9SB85

Occupancy

The portfolio was 94.0% occupied at 31st March with 6.0% vacant (AREF/MSCI All Funds 10.4%), this has decreased from the 8.7% void rate last quarter. Once lettings on the units currently under offer complete the void rate will reduce to 4.5%. Since inception DPFC has had an average void rate of 2.9%. 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

Total Return and distribution for the quarter remain resilient as property values have stabilised and more optimistic economic data emerges. This quarter the portfolio has delivered enhanced income from rent reviews and increased occupancy from letting activity, rent collection remains strong and capital value has increased nominally.

Distribution

DPFC's distribution for the March 2024 quarter, to be paid in May 2024, is 1.9380p per unit, an annualised 5.63% of the opening NAV.

The Fund's distribution objective continues to be met. Since inception the distribution has grown by an average of 1.9% pa and has increased or been maintained each year.

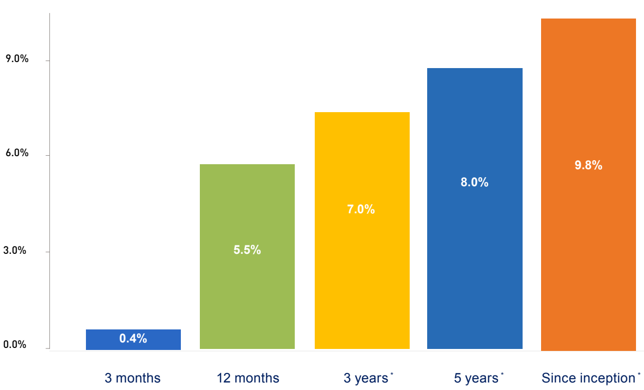
Total return

A 0.4% Total Return was delivered by DPFC over the quarter (AREF/MSCI All Funds 0.5% total return). Over the last 12 months DPFC's Total Return was 5.5% (AREF/MSCI All Funds -0.7%). Total returns of 7.0%pa and 8.0%pa have been achieved over 3 and 5 years respectively (AREF/MSCI All Funds 1.5% and 1.4% respectively). Since inception DPFC has delivered a 9.8% Total Return annualised (100% total return in absolute terms, 64% distributed, 36% NAV growth).

Capital Value Growth

DPFC's portfolio valuation has increased over the last five consecutive quarters. The value increased nominally over the quarter to 31st March by 0.06% (MSCI All Property Index –0.97%). Over the quarter, DPFC's industrial assets (68% of portfolio) decreased in value nominally by -0.18% (MSCI -0.18%), principally due to lease expiries at one property offsetting rental growth elsewhere. The Fund's office property values (14% of the portfolio) increased by 2.41% (MSCI -3.05%). The Fund's retail warehouse asset values (18% of the portfolio) reduced by 1.04% (MSCI -0.44%). The relative performance of DPFC's portfolio was supported by the weighting in the performing multi-let urban industrial sub-sector, asset management and completing the agreement for lease at Maidstone.

Historic Total Returns



*Annualised

Asset Management

Each property has a unique 5-year asset plan which focusses on income growth to support property values. Rental growth in the industrial sector remains strong as evidenced by a new rental tone of £10 per sqft being evidenced at a rent review settlement at Inner City Trade Park, Glasgow. The refurbishment of the three floors of office accommodation (14,294 sqft) at Medway Bridge House, Maidstone is due to complete at the end of May. A letting of all of the refurbished accommodation to a professional services occupier has been documented at a rental 31% higher that the pre-refurbished average rent for the building. The current vacancy rate has therefore reduced from 8.7% reported last quarter to 6.0%. When lettings of other units currently under offer complete, the vacancy rate will reduce to 4.5%.

ESG

DPFC seeks to minimising 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 the GRESB Benchmark matrix. Digitally capturing the energy use by occupiers is an exciting step forward made possible by working with advisors EVORA. The 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 units energy performance but also assess the potential to install PV solar or EV charging points.

Property Investment Market

Investment transaction volumes for March were £4.3bn, 9% below the five-year monthly average. However, the £10.2bn of transactions in Q1 were noticeably lower than the £15bn fiveyear quarterly average. Investment activity is likely to remain subdued in H1 2024 improving in H2 as interest rates are expected to be cut. This will benefit the capital aspect of total returns, however the income aspect of DPFC's total returns continues to be resilient.

- Retail investment volumes for Q1 2024 were £1.9bn, 31% lower than the same period in 2023. "All Retail" rents rose by 0.6% year on year in March, unchanged from February. 17% of the DPFC portfolio is invested in retail warehouses, a retail sub-sector aligned to occupiers multi-channel retailing model and customer convenience.
- Office investment volumes for Q1 2024 were £1.5bn, 57% lower than the same period in 2023. "All Office" rents grew by 2.8% year on year in March, the strongest rate for seven years. 15% of the DPFC portfolio is invested in offices. Office occupiers are seeking quality space and investors are following them. Office values remain challenged due to occupier demand uncertainty and the cost for non-prime assets complying with MEES legislation.
- Industrial investment volumes for Q1 2024 were £1.8bn, 15% less than the same period in 2023. A landlord favourable supply and demand imbalance of accommodation in the sub 10,000sqft sector, which DPFC targets and accounts for 68% of the portfolio, continues to see strong rental growth. "All Industrial" annual rental growth increased by 6.9% year on year in December. Constrained supply supports continued rental growth in this sub-sector which is aligned to E-commerce and convenience.

Outlook

With inflation down to 3.2% and anticipated to be below the 2% Bank of England target in the coming years, expectations are interest rates will be cut in the second half of 2024, which will improve investor sentiment and yields. Robust occupier demand for DPFC's asset managed assets has seen the vacancy rate decline this quarter which will enhance rental income. The characteristics of the current portfolio, including the strong financial covenants of tenants which supports prompt rent collection, combined with DPFC's clear investment strategy and asset management activity, gives the Manager confidence that the Fund is well placed to continue meeting its investment objectives.

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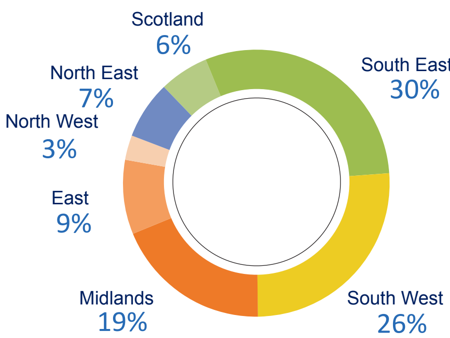
Major Tenants

Ten largest tenants by income	D & B Category	
Wickes Building Supplies Ltd	Minimum Risk	8%
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		40%

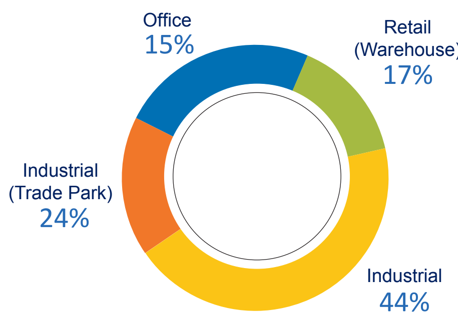
Glossary

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

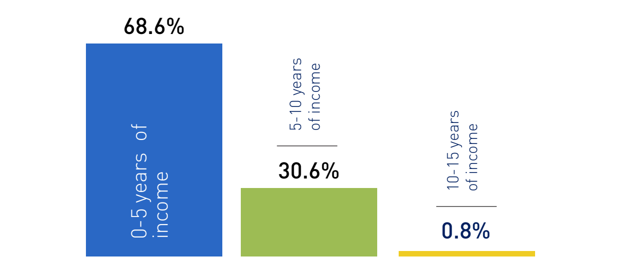
Portfolio Analysis By Location



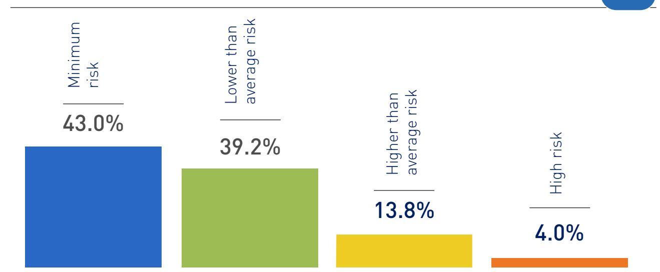
Portfolio Analysis By Sector



Lease Expiry Profile (Excl. Break Options)



Tenant Covenants By D&B Risk Rating



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