

# DLP PREFERRED CREDIT FUND

## THE GOAL

Make a meaningful impact on America's affordable housing crisis while helping sponsors scale their business

- Focus on "missing middle," i.e. attainable rental housing for those making incomes near the AMI (area median income)
- Focus on projects that will offer tenants <30% rent-to-income ratios (no more than 30% of income spent on rent)

## THE STRATEGY

Invest in the development, improvement, and preservation of attainable rental housing

- Focus on short-term loans, (6-24 months) to help insulate investors rising interest rates and inflation, while offering significant liquidity
- Invest in the asset classes and markets where we have deep expertise and experience

## THE INVESTMENTS

Debt and preferred equity investments in opportunities such as the origination and acquisition of mortgage loans

- Lending capital for the acquisition, repositioning, and construction of rental housing designed to be attainable for working families
- Loans made to borrowers with proven track records, high credit scores, ample liquidity, and personal guarantees

**10-11%**

Targeted Annual Net Return to Investors

**11.55%**

DRIP Based IRR YTD<sup>1</sup>

**9%**

Monthly Preferred Return

**90-Day**

Redemption Notification



## FUND HIGHLIGHTS

Loans are typically short-term in nature, ranging from 6-24 months. The short-term duration focus of the fund help insulate investors from rising interest rates and inflation, while offering significant liquidity.

A thorough underwriting process ensures loans are only made to borrowers that have a high probability of success with the project. Lending is primarily to real estate sponsors with proven track records, high credit scores, ample liquidity, and personal guarantees.

Subordinated management fees, whereby investors receive their monthly preferred return distributions before DLP receives any fees. This aligns investors' interest with DLP's.

All invested capital is in a preferred position, with equity subordinate to the fund on all deals. This position means our investments carry payment priority over common equity investors.

## DLP PREFERRED CREDIT FUND OVERVIEW

This fund makes debt and preferred credit investments to real estate sponsors with proven track records for the acquisition, repositioning, and construction of rental housing in the Sun Belt designed to be attainable for working families.

Fund Type	Preferred Real Estate Credit Fund (REIT)	Reporting Frequency	Quarterly
Direct / Indirect Security	Notes secured by equity pledges, mortgages, & personal guarantees	Target Fund Size	\$1,000,000,000
Inception Date	October 2021	Minimum Investment	\$200,000
Fund Term	Evergreen	Investor Suitability	Accredited Investors Only
Distribution Frequency	All distributions paid monthly	Benefits of Leverage	Yes
Management Fee	2.0%; Subordinate to Preferred Return	IRA Investment Options	Yes
Annual Management Fee Rebate Investments of \$1M <sup>+1</sup>	0.50%	Tax Shelter Through Depreciation	No
Annual Management Fee Rebate Investments of \$10M <sup>+1</sup>	1.0%	QBI (199A) Deduction Eligible	Yes <sup>2</sup>
Preferred Return	9%	Tax Reporting Method	1099-DIV
Targeted Annual Net Return to Investor	10-11%	Audited Financials	Yes; CohnReznick
Performance Fee	20% Upon Achieving Preferred Return	Institutional Open	Yes
Redemption Notification	90-Day Notice		

### For Accredited Investors Seeking

- Portfolio Diversification
- Consistent Monthly Returns
- Ongoing Liquidity Via a 90-day Notice Period for Redemption Requests with No Cap
- Limited Volatility
- 1099-DIV Tax Reporting



**Growing your wealth starts with DLP Capital.**  
**Scan to schedule a one-on-one with our Investor Success Team today.**

\*EDC: Excess Distributable Cash

1-Management fee rebates of .5% for >\$1M investment and 1% for >\$10M investment are per account, per fund, based on a minimum annual investment balance-as of April 1st for the 2023 calendar year; per calendar year thereafter

2-Not subject to phase out

This does not constitute an offer to sell, or a solicitation of an offer to buy any interests in The DLP Preferred Credit Fund. Any offering of securities or solicitation in connection with the sale of securities will be made pursuant to offering documents. Investing in private real estate funds and notes secured by real estate has certain inherent risks, which could result in the loss of some or all of your principal investment. Past performance stated herein is not an indicator of future results and DLP Capital can in no way guarantee or warrant your success. Consult your tax advisor or financial advisor before investing. Please see the Fund's offering documents for full details and disclosures.

