

DREAM. LIVE. PROSPER.  
SPRING 2024

QIR

# *Quarterly* **IMPACT REPORT**

*“Not all time in life is equal. How many opportunities do you get to talk about what your life is going to add up to with people thinking about the same question?”*

– Jim Collins

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# A Message From Don Wenner

Founder & CEO

I am excited to present DLP Capital’s Quarterly Report for Q1, a period marked by strategic achievement and incredible growth. This quarter, our commitment to innovation and excellence is reflected in many milestones, including reaching 3,000 investors we’re blessed to call family.

DLP Capital has taken significant strides in filling the void left by traditional banking systems in the realm of development and construction financing, which you can read about in this issue. Our innovative approach has allowed us to step in where others have stepped back, providing solutions that keep projects moving forward.

One of the quarter’s highlights was our partnership with Taft Family Ventures. This collaboration speaks volumes about our commitment to supporting projects that have a meaningful impact on communities that serve America’s workforce.

Our fund performance this quarter has been remarkable, a clear indicator of our team’s hard work and strategic foresight. We’ve once again met and exceeded our targets for all funds, reinforcing the benchmark we’ve set for excellence in investment and fund management. You can get all the latest fund information beginning on page 38.

As I reflect on the past quarter, I’m filled with gratitude for our hard-working team, the trust of our investors and partners, and the opportunity to continue making a significant impact through our funds. I look forward to building on this momentum in 2024.

Sincerely,  
**Don Wenner**  
Founder & CEO, DLP Capital

# MEET DON WENNER

Follower of Jesus | Father | Husband | Founder & CEO | Author



Don Wenner has led DLP Capital for 18 years. Under his leadership, DLP Capital has:

Been an Inc. 5000 Fastest-Growing Company for 11 consecutive years

Developed or acquired over 30,000 residences, totaling more than \$5B

Closed over 35,000 real estate transactions totaling more than \$10B

Funded more than \$5.5B in loans

Author of *Building an Elite Organization* and *Building an Elite Career*

13+ Years married to his beloved wife Carla

3 sons, Donny, Alex, & Jake

2 dogs, Penny & Luna

Grew up in Easton/Nazareth, PA area

Lives in St. Augustine, FL, and summers in Asheville, NC

Lifelong Raiders Fan (and also cheers for the local Jaguars)

4X Champion youth flag football head coach



# DLP CAPITAL AT A GLANCE

DLP Capital is a private financial services and real estate investment firm focused on impacting some of the nation's largest crises. DLP Capital implements innovative solutions to address these issues through lending and investment products, services, education, and systems. Our purpose is to transform lives through the building of thriving communities. We do this by investing in, developing, and financing attainable housing for America's working families, including multifamily and single-family rental homes, along with related investments, including RV resorts, among other live-work-play communities aimed at enhancing the lives of working Americans. Our portfolio is

capitalized via a series of evergreen investment funds for accredited investors, each of which has provided superior year-over-year consistent returns since inception. With over \$5 billion of assets under management, DLP Capital has been on the Inc. 5000 list of *"Fastest Growing Private Companies in America"* for 11 consecutive years. Through our exclusive membership platforms focused on wealth legacy and business scaling—including our proprietary Elite Execution System—we empower our clients and impact lives while fulfilling a core mission: Doing well while doing good.

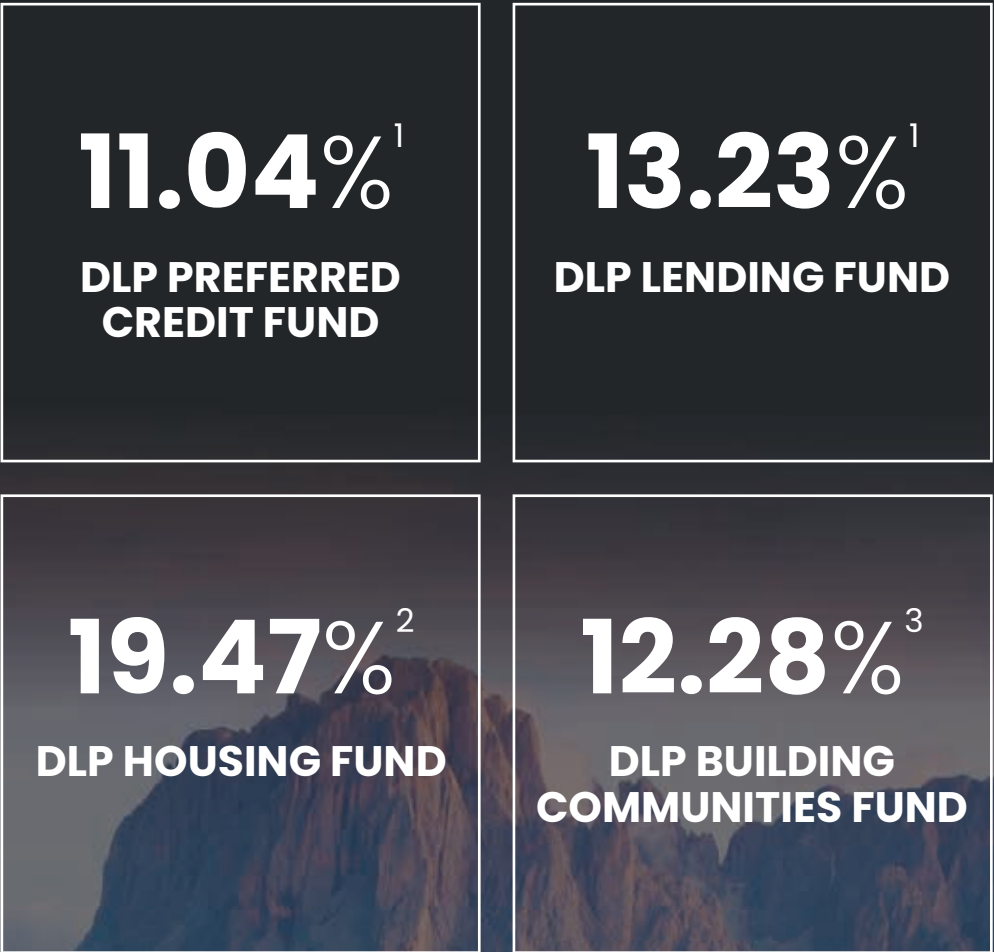
## Our Current Impact Numbers



\*AUM is the value of the assets DLP Capital manages which includes real estate and real estate-backed loans  
All figures as of March 31, 2024 unless otherwise noted.

# DLP CAPITAL SPONSORED FUND RETURNS

Quarter 1 / 2024



1 - Compounded DRIP IRR Since Inception as of 3/31/2024  
2 - Compounded DRIP IRR Since Inception as of 12/31/2023 (including NAV unit shares issued)  
3 - Compounded DRIP IRR Since Inception as of 12/31/2023



# IDS DAY

At DLP Capital, we believe in proactively addressing issues and obstacles before they impede progress. This is why our team comes together each year for a full day to Identify, Discuss, and Solve issues that impact the organization. Through this event, everyone works collaboratively to pinpoint problems and identify necessary solutions that help us better serve our members and exceed investors' expectations. We know that the fundamental job of any business is to solve problems. We focus on solving issues—our core job is making clear decisions backed up by a deep understanding of the facts and goals of our clients and the team.

More than 70 unique issue-solving sessions were held this year as our team members tackled some of the most pressing issues facing our organization, including how to best leverage AI. By splitting into small, cross-functional groups with representatives from all of DLP Capital's teams, we're able to garner incredible insights from everyone—not just those in the C-suite.

By taking the initiative with annual IDS days and ongoing assessments throughout the rest of the year, DLP Capital strives toward successful execution with exceptional leadership at every level of the organization.



Dream. Live. Prosper.

# OUR CORE VALUES

Our core values are vital as they serve as guiding principles that shape our culture and how we operate. We revamped our core values for 2024 to align with the evolving needs of our organization, reflect our commitment to innovation, and ensure that we continue to deliver exceptional value to our clients, communities, and team members.

## DRIVEN *for* GREATNESS

We are driven by the pursuit of knowledge and the paramount importance of a growth mindset, cultivating greatness both personally and professionally.

## LIVING *fully*

We prioritize LivingFully with a dedication to achieving optimal health in all aspects of life: faith, family, friends, freedom, fun, fulfillment, fitness, and finance. We are intentional with our time, integrating the 8 F's of our lives to achieve our goals and God's goals.

## *Passion & Perseverance:* GRIT

We have the endurance and unshakable commitment necessary to achieve our visionary long-term goals.

## *Community*

We elevate the greater good over individual interests, magnifying our impact and cultivating thriving relationships with investors, sponsors, residents, and our colleagues.

## *Authenticity*

We are true to ourselves and others, steadfast in our beliefs and values. We hold ourselves and others accountable, fostering open dialogue to propel growth.

## *prepared to* WIN

We apply discipline to our thoughts and our actions, which leads us to put forth consistent effort and commitment to doing the important proactive work despite the urgent priorities we face each day. We plan to win and are prepared for volatility and challenges.

## *IMPACT:* Kingdom Impact

We share God's love and transformative power through our labor, serving everyone in God's likeness. The world will know God more through our work and how we do it.

## *TWENTY MILE march*

We march toward clear, well-defined goals and objectives with unwavering focus, constantly evaluating our performance and course correcting as needed.

## *A STEWARD:* Stewardship

We are guided by our commitments to those who trust us with their capital, their communities, and their careers.

## *LEADERSHIP:* Servant Leadership

We lead with High Standards and Deep Devotion. We display humble confidence as we build deep relationships and trust. We sow the way through the forest, empowering growth, accountability, and a founder's mentality, with team members regularly asking, "What else can I do to achieve the desired results?"



# A CALLING TO MAKE AN IMPACT

A Better Company. Better Leaders. Better Communities.

## OUR PURPOSE

**DREAM. LIVE. PROSPER.**  
To passionately make an extraordinary impact by transforming lives and building thriving communities.

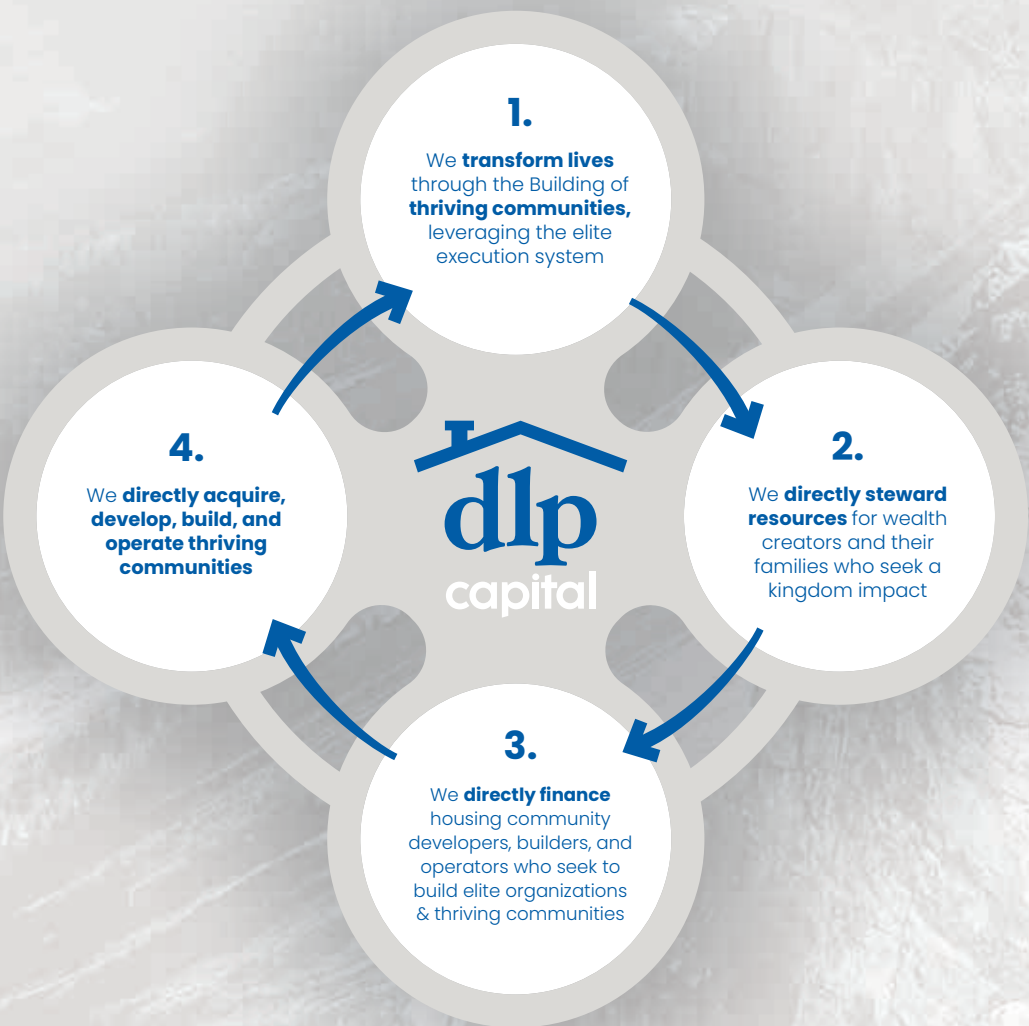
## OUR MISSION STATEMENT

We are changing the nation through the building of thriving communities. We are the leader in funding the building of thriving communities, centered in safe, attainable housing.

## OUR BHAG *(Big Hairy Audacious Goal)*

Positively impact and transform 10 million lives. We are one of the 100 largest private companies in America. We have achieved this accomplishment by positively impacting 10 million lives and funding the building of 5,000 thriving communities.

# MOMENTUM THROUGH OUR GROWTH FLYWHEEL



# LEADERSHIP SPOTLIGHT



**Nick Stonestreet** // President of Financial Services

DLP Capital proudly welcomes Nick Stonestreet as its new President of Financial Services, bringing over 30 years of invaluable experience in the financial services industry. Nick's arrival at DLP Capital signifies a new chapter focused on expanding the reach of DLP Capital's funds and enhancing banking and financial services strategies to elevate client experiences. Prior to joining DLP Capital, Nick held significant roles, including CEO, chief investment officer, and senior partner at Blue Trust, where he spearheaded strategic initiatives and managed organizational divisions. His impressive career includes founding Vident Financial, serving in leadership roles at Regions Financial and Merrill Lynch, and commencing his journey at Sun Trust Bank, laying a strong foundation for his distinguished trajectory.

*"The mission and values of DLP Capital resonate deeply with my professional ethos and personal goals. I am eager to leverage my experience and help drive growth and success."*

– Nick Stonestreet



**Pamela Linden** // Chief Legal Officer

Bringing over 23 years of extensive experience in real estate disciplines, Pamela leads DLP Capital as the Chief Legal Officer, overseeing all legal aspects of the firm and its business units and People team. Her expertise encompasses corporate governance, risk management, transactions, capital structuring, employment, and litigation matters. Previously serving in key leadership roles at renowned real estate investment firms such as Westbrook Partners, Stoneweg US, and Waypoint Residential, Pamela's strategic acumen and legal prowess drive excellence in legal operations at DLP Capital. Holding a B.A. with honors and a J.D. cum laude from the University of Florida, Pamela also takes pride in her role as a mother to a daughter excelling at Temple University as part of their women's gymnastics team.



# TRANSFORMING LIVES —for investors and residents— THROUGH THRIVING COMMUNITIES.

Today, more than 100 million people<sup>1</sup> in the U.S. call rental communities home, thanks to America's deepening affordable housing crisis, exacerbated by rising mortgage rates and a supply and demand imbalance putting upward pressure on home prices. As we march toward our BHAG (Big Hairy Audacious Goal) of positively impacting 10 million lives through the funding and building of 5,000 thriving communities, we are looking to effect change and provide solutions to what we see as some of the biggest challenges families face today. In America:

- 90% of all renters are unchurched.
- More than 50% of renters are rent-burdened, spending more than 30% of their income on rent and utilities: more than at any other time in history<sup>2</sup>.

- 78% of Americans are living paycheck to paycheck, without the security of savings<sup>3</sup>.
- 66% of children are unable to read with proficiency<sup>4</sup>.
  - 40% of children are essentially non-readers.
  - Children are 63 times more likely to end up in prison if they fall below grade level in 3rd grade compared to college graduates.

We believe that these and many other issues can be solved through Thriving Communities, places where people want to build a life, not just live. Our goal is to create communities people want to call home for the next 8-10 years, while LivingFully, leading meaningful lives, pursuing their goals, sharing opportunities for prosperity, and experiencing deep relationships and connections. A Thriving Community is rooted in safe, attainable housing, offering relief to rent-burdened Americans, but that is just the starting point.

1 <https://www.self.inc/info/rent-statistics/>  
2 <https://www.nytimes.com/2024/01/25/realestate/rent-prices-housing.html>  
3 <https://www.forbes.com/advisor/banking/living-paycheck-to-paycheck-statistics-2024>  
4 <https://www.scientificamerican.com/article/two-thirds-of-american-kids-cant-read-fluently/>

## The 10 elements of a Thriving Community are:



### ATTAINABLE HOUSING

Rent is below 30% of the area median income, bringing families above the rent-burdened threshold and affording more room in their budget for the basics of wellness, education, transportation, and leisure.



### BANKING, LENDING & INVESTMENTS

People are afforded access to financial literacy programs, community banking, loans, and investment opportunities targeting passive income through strong returns and distributions.



### COMPANIES THAT CREATE JOBS

Jobs are available within the community to support residents. Job creation is primarily the product of entrepreneurial small businesses.



### DEEP CONNECTION

Residents are happy and fulfilled, thanks to deep connections with others. Among these connections are those with family, friends, neighbors, and God.



### EDUCATION

Education is highly valued, especially in terms of skills valued by society. Emphasis is put on children's literacy, especially reading at grade level.



### FAMILY

Families are strengthened through opportunities to deepen relationships and build extraordinary families, lives, careers, and legacies. Fathers are present and engaged and couples pray together.



### GOVERNMENT

Thriving communities are aligned with and find allyship in local government, offering critical support for the overall strength of the community.



### HEALTHCARE & NUTRITION

Physical and mental fitness is considered paramount. Access to healthcare, wellness, nutritional food, and wellness education is available.



### IMPACT

People are living lives of significance, finding community with their neighbors and making a difference in the lives of others.



### JESUS

People have relationships with God, accepting Jesus as their savior. They are in a small group discipleship and part of a church community.



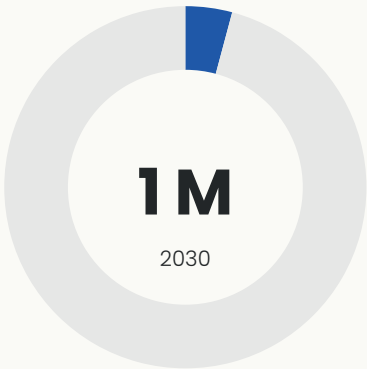
We know the impact of Thriving Communities can be enormous and we're holding ourselves to a pretty high standard for success. A successful Thriving Community is one where:

- Residents are servicing residents, through jobs within the community and opportunities to lead educational enrichment activities.
- Rent is below 30% of the area median income, bringing it below the rent-burdened threshold at an average of 25% of AMI.
- 84% of our residents are connected to their community.
- 80% of students are reading at grade level in 3rd grade.
- 80% of residents:
  - renew their lease annually.
  - attend at least 1 hour of training each month.
  - have two close friends in their community.
  - are churched.
  - are happy.
- 50% of residents:
  - belong to a small group or club within the community.
  - have a savings account that can cover up to three months of expenses.

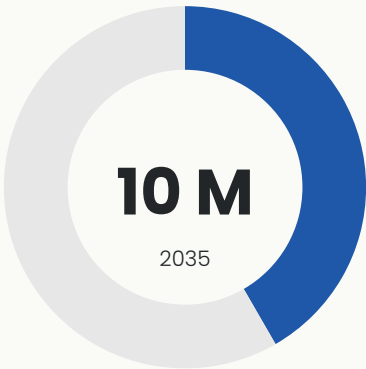
The vision for the impact of Thriving Communities isn't just for residents—we believe these communities can make a difference in the lives of DLP Capital investors, as well. As investors in DLP Capital sponsored funds, our investors do well through the good we do, including the building of Thriving Communities. As we develop these communities in the properties within DLP Capital sponsored funds, we create value that can increase net operating income (NOI), creating the potential for greater returns for our investors. The Thriving Community model has the potential to drive NOI in several ways:

- The combination of affordability, community, and enrichment will extend tenancy for residents, reducing vacancies while minimizing the costs of turning over units between leases.
- Increased resident satisfaction will drive referrals and increase positive online reviews, creating consistent demand and ongoing lease-up.
- Offering rents below 30% of the area median income will keep down rent delinquencies, as will the positive opinion the residents have of their community.

We think Thriving Communities can change the world, and we're dedicated to bringing this revolutionary, impact-driven community model to 25 million residents by 2040, bringing millions to salvation. Thank you for your continued trust in DLP Capital as we change the world together, one Thriving Community at a time.



1 Million Residents by 2030



10 Million Residents by 2035



25 Million Residents by 2040

NEW COMMUNITY UPDATES

- 1. **Dream Winter Haven**
  - 50% of the framing has been completed.
- 2. **Dream Jacksonville**
  - Master plan amendment received positively by Nassau County, Florida.
  - Architectural design is underway.
  - Targeting to have the golf course, interactive driving range, and golf restaurant open by the end of 2024.
- 3. **Kings Preserve**
  - Active construction for phases 1 and 2 with first lot builder sales/closings anticipated for June 2024.

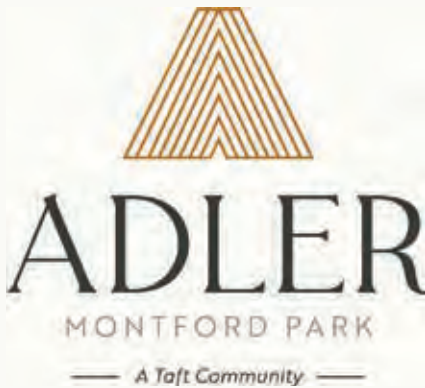
- 4. **Dream Parkland Preserve**
  - Site work to begin Summer 2024.
- 5. **Orchard Farms, Phase 1**
  - First of three phases; 222 lots are being delivered to vertical construction within the next 2-3 months.
- 6. **39 Patton** (*Asheville Office and Apartments*)
  - Nearly complete with furniture move-in scheduled for May 2024.
- 7. **Scrubby Bluff**
  - Residential tract conceptual plan was approved by the City of Kingsland, Georgia.
  - Civil engineering and gopher tortoise relocation is underway.





# DLP LENDING FUND CASE STUDY: ADLER MONTFORD PARK

In a bold move demonstrating resilience and strategic foresight, DLP Capital recently provided a substantial \$75.4 million loan to Taft Family Ventures for the development of Adler Montford Park. This project, a beacon of modern living located in Charlotte, North Carolina, will feature over 240 state-of-the-art multifamily units and 8 townhomes. Amidst financial turbulence of the current market, Taft’s previous lender could no longer provide financing. DLP Capital stepped in, ensuring the continuation of a venture set to bolster the attainable housing market in one of America’s fastest-growing markets.



### Background

Taft Family Ventures has been at the forefront of property development since its inception by E. Hoover Taft, Jr., in 1983. With a lineage of success spearheaded by subsequent generations, including Tom Taft, Sr., Thomas Taft, Jr., and Jonathan Taft, the company has developed over \$1 billion in multifamily properties known for their quality, innovation, and the value they bring to communities. The Adler Montford Park project emerged as an ambition to further this legacy, positioned in a prime spot near the Park Road Shopping Center and amidst the thriving cityscape of Charlotte, acknowledged by the Milken Institute as a top 10 best-performing city<sup>1</sup>.

<sup>1</sup> Switek, Maggie, et al. Milken Institute, Los Angeles, CA, 2024, pp. 25–25, Best-Performing Cities 2024: Focus on Sustainable Growth and Resilience.



### Challenge

The development of Adler Montford Park faced unforeseen financial challenges when the initial lender encountered fiscal difficulties amid the project’s progression. The sudden risk of halting construction threatened not only the timeline and financial planning of Taft Family Ventures but also the potential impact on the local housing market and community development objectives.

### Solution

Recognizing the crossroads at which the Adler Montford Park project stood, DLP Capital evaluated the Taft Family Ventures portfolio and extended a loan of approximately \$75.4 million, restarting construction. This decision was underpinned by a shared ethos between the two faith-based organizations, both dedicated to enhancing the attainable housing sector. By aligning their values and objectives, DLP Capital ensured not only the financial liquidity required by Taft Family Ventures but also a partnership built on mutual understanding and a commitment to community development. Leadership on both sides also took a deeper dive into their whole portfolio to solidify the future relationship between these two organizations. It covered several opportunities to add value to their capital structure, ultimately leading to DLP Capital seeding a preferred equity investment behind Freddie Mac in an existing residential community via the DLP Housing Fund.

### Impact

This project will deliver a mix of studio, one-bedroom, and two-bedroom apartments and townhomes that cater to a diverse demographic. Its strategic location adjacent to numerous amenities and within one of the nation’s rapidly growing markets positions Adler Montford Park as a landmark of luxury and convenience. Furthermore, this collaboration underscores DLP Capital’s capability to deliver significant funding solutions, fostering growth and stability regardless of potentially tumultuous financial conditions.

### Conclusion

The successful collaboration between DLP Capital and Taft Family Ventures for the Adler Montford Park project exemplifies strategic financial stewardship, shared values, and a united vision for community development. Amidst financial uncertainty, DLP Capital emerged as a beacon of stability, ensuring the project could progress unimpeded. This case study not only highlights the tangible outcomes of the project itself but also showcases the potential for faith-based, value-aligned organizations to effect meaningful change in the housing sector. Through partnerships that transcend purely financial dimensions, projects like Adler Montford Park pave the way for future developments that are financially sound, strategically executed, and community-focused.

Completed Value:	\$104,940,000
Our Loan to Value:	~72%
# Units:	249
Estimated Residents:	620
Debt Yield:	7.2%
Estimated Completion:	July 2025



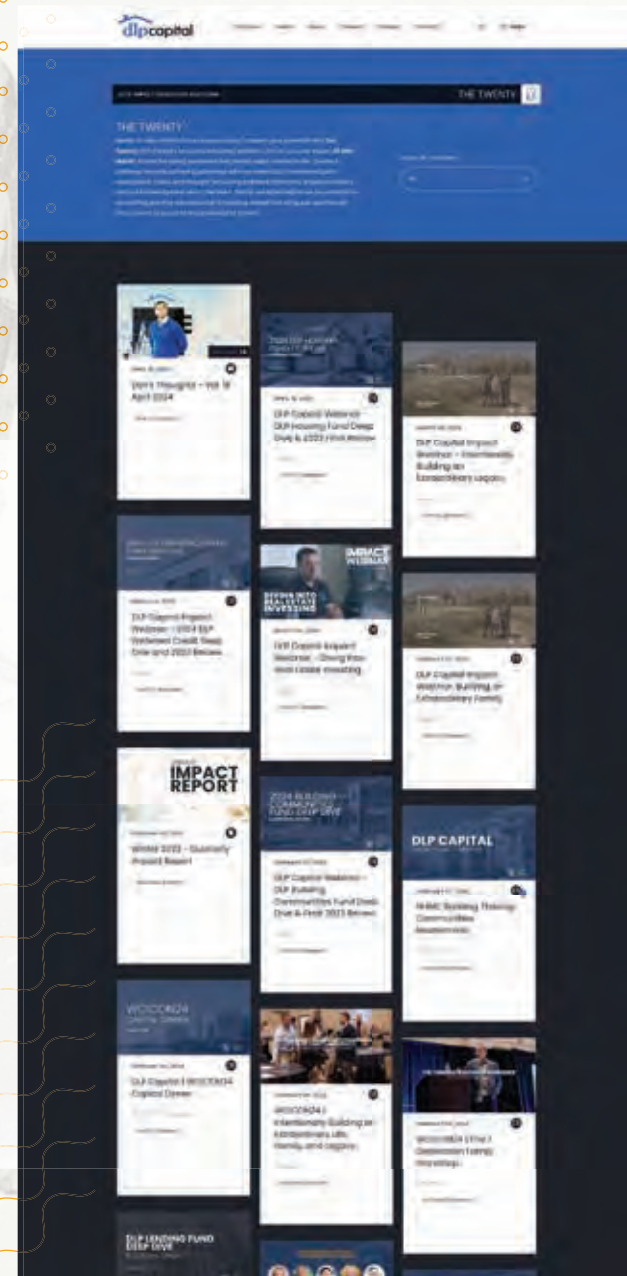
# THE TWENTY

**READY TO TAKE CONTROL OF YOUR  
SUCCESS STORY?**

Unleash your potential with The Twenty, **DLP Capital's exclusive education platform.** One of our core values, 20 Mile March, stands for taking consistent and steady steps forward in life. Create a pathway towards achieving greatness with our selection of entertaining and educational videos and thought-provoking webinars helmed by industry veterans and our knowledgeable team members. Unlock valuable insights as you embark on an exciting learning adventure full of webinars, capital dinner presentations, podcast episodes, and more that will guide you through life's journey to personal and professional growth.



[dlpcapital.com/twenty](http://dlpcapital.com/twenty)



DLP Capital is looking to positively impact and transform 10 million lives—and we're well on our way. If you are new to us, consider joining our DLP Capital family through the unique investment opportunities we offer. You will join more than 3,000 existing

DLP Capital families who hail from **every state in the nation**, many of whom contributed to the \$300MM+ of capital raised in 2023. We are better together and are in an unprecedented era of opportunity for investing in attainable rental housing.





Build to rent impact series

# A LOOK AT BUILD-TO-RENT COMMUNITIES:

## This Wave of the Future Attracts Prolific Investment

Many of us hear a term bandied about in real estate these days: “Build-to-Rent” (BTR) communities also known as Build-for-Rent. But look back 15 years ago, and the concept of developing single-family rental home communities really didn’t exist. The closest thing to it was a local investor buying up a few scattered homes as fixer-uppers to rent out for cash flow income and then flip down the road. It was a “mom and pop” business, says Jim Boyce, President of Development and Construction at DLP Capital. Then came the financial crisis of 2008 and with it a housing bubble that burst, creating foreclosure opportunities and a bevy of investors scooping up larger quantities of homes to rent out. American Homes 4 Rent (AMH), Invitation Homes (9.7% owned by BlackRock), and other now-megaliths were founded on the tatters of a decimated housing market. Fast forward to 2024, and the BTR market has not only become an incredibly successful business model—it is now the fastest-growing segment of the US housing market, according to Urban Institute’s Housing Finance Policy Center. This seismic shift is arguably due in part to the American dream shifting from that of homeownership to an increasing preference by many for the freedom and flexibility offered by rental homes. DLP Capital, with its pulse long ago focused on building thriving rental communities, is at the forefront of the BTR sector, with an emphasis on community-centric development.

### Horizontal Multifamily

What exactly is a Build-to-Rent community? Boyce likens it to “horizontal multifamily.” Typically, BTR could be defined as a master-planned community of single-family detached or attached rental homes with a minimum of 25 units up to 500 or even 1,000

homes laid out in one symbiotic community. Product types include:

1. Cottage homes: small 1BR/1BA detached homes, the most affordable BTR
2. Duplex, triplex, fourplexes, and townhomes: homes with shared walls in buildings of two to four units
3. Traditional single-family homes: 3 BR/2BA

Approximately 40% of BTR communities in the US are in that third, single-family detached category<sup>1</sup>. The BTR community may involve the developer/operator owning one large platted lot upon which rental homes are constructed, or the community may consist of individual platted lots. (Close-outs of leftover homes in a developer’s build-for-sale community are not within the BTR definition.) The rental homes are built to work cohesively together as one Thriving Community, much like a multifamily complex— but with luxuries including privacy, garages, and yards.

A BTR community usually offers common amenities, whether in the form of a clubhouse, pool, fitness center, walking trails, or dog park, and it may be serviced much like an apartment complex. Have a major plumbing problem? Call the BTR landlord. If the AC goes out . . . call the BTR landlord. Chances are the community’s homes were built with similar designs and infrastructure, permitting easy landlord access to systems, along with efficiencies and scale in solving work orders from tenants. In addition, they are typically built to be resilient, i.e. built with materials selected to withstand the wear and tear of tenants to minimize turnover costs. The landlord, in the case of BTR, is typically the developer/operator, an institutional investor, or a combination of the two.

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## The Market for Investing in BTR

While DLP Capital began BTR communities starting back in 2021, other multifamily developers have segued into BTR as an extension of their core businesses, and some traditional single-family builders, such as D. R. Horton, have also expanded into the space. So too have institutional investors homed in on the BTR market, given a staggering 700,000 single-family rentals estimated to be built nationwide over the next decade. All roads, it seems, are leading to BTR being one of the most important community models for the future.

## Sun Belt Leads in Popularity

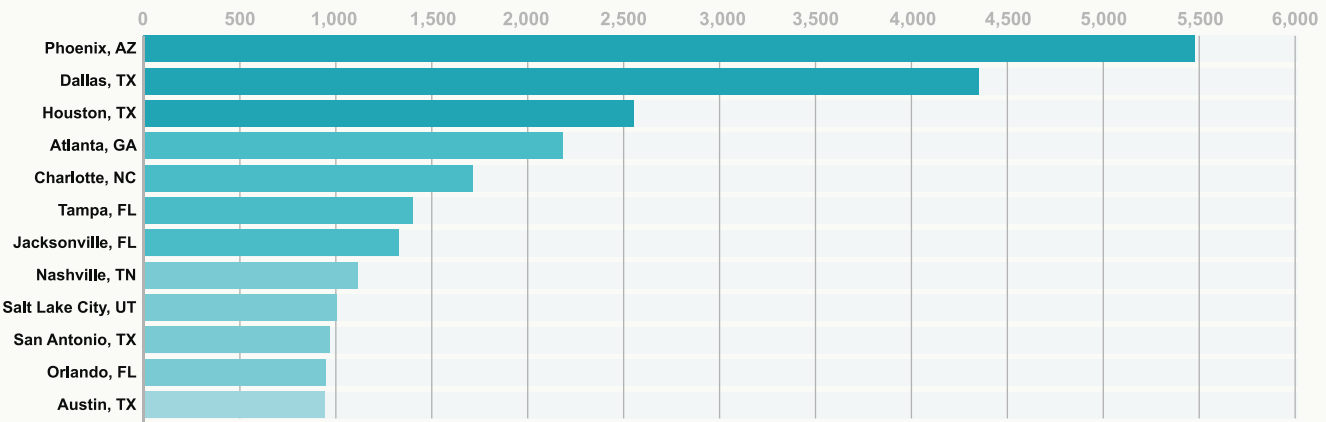
And where exactly are these opportunities? The Sun Belt leads, by far. The National Rental Home Council and Yardi Matrix data show that currently, the most prolific states for BTR under construction are: Texas, Arizona, Florida, North Carolina, and Georgia. California and Ohio have had their shares of completed BTR communities as well. These areas of BTR focus are attributed in part due to the availability of large parcels of flat land in or near metropolitan areas in these states, together with population growth, among other factors<sup>2</sup>.

Yet still, according to real estate data intelligence firm Zonda, of the top 10 rental housing markets tracked, BTR communities account for 3% or less of total rental housing stock. With more than 3.4 million millennials preferring to rent rather than own a home, it will take some heavy lifting for the development community to fill the need for BTR communities.

### Community-Centric: “Neighbors, not Tenants”

Adds Boyce, “Not only are there tremendous investment opportunities in the Build-to-Rent sector, but we’re also creating a new model of thriving communities. We’re creating a ‘community-centric’ model of development, rather than one-off single-family homes. Our Build-to-Rent communities will have neighbors, rather than tenants, and they will be new, affordable, and safe homes where residents can stay for years and raise families—or have the flexibility to move into alternative rentals as jobs and families demand. It’s the best of all worlds. Build-to-Rent is here to stay.”

Top 20 Metros With Most SFR Units Under Construction



<sup>1</sup> Zonda, Jan. 8, 2024

<sup>2</sup> Urban Institute, June 2023



# BUILDING THRIVING COMMUNITIES MASTERMIND EVENT

September 24–26 | Asheville, North Carolina

The Foundry Hotel | 51 S Market St, Asheville, NC 28801 | Savoy Ballroom

## You're Invited

Don Wenner is seeking real estate sponsors and operators to join us for DLP Capital's Building Thriving Communities Mastermind event this September in Asheville. During this transformative workshop, we will unlock strategies for building thriving communities that promote long-term tenancy while enriching the lives of residents across America.

While details are still being finalized, you're invited to register your interest now to be the first to know about any updates regarding this exciting event.



We hope you can join us.



# HOW DLP IS FILLING THE BANK VOID

## There's a \$45B<sup>1</sup> multifamily debt funding gap: DLP Capital is positioned to fill the void.

In 2014, in the wake of the Great Recession and increased banking regulation, a lack of capital for real estate projects created an opportunity in the market— one that DLP Capital quickly seized with the launch of the DLP Lending Fund. Since inception, that DLP Capital sponsored fund has paid over \$134M<sup>2</sup> in distributions to its investors. In 2021 we expanded our platform to include the DLP Preferred Credit Fund, increasing our capacity to offer real estate sponsors competitive development and construction financing. Ten years after the launch of the DLP Lending Fund, we continue to fill this void.

Throughout 2023, we capitalized on the opportunity to make bank-quality loans to experienced real estate sponsors who faced a dearth of options for financing, as well as exorbitant costs for traditional bank financing. Interest rate hikes, which began to feel like the norm, worked in our favor, with average rates for the type of loans we provide climbing up to 9-12%—the same type of loans that offered borrowers rates in the low 3's just 2 years ago. Higher interest rates allowed us to offset the higher cost of leverage while continuing to generate double-digit returns for our investors. The DLP

Lending Fund ended 2023 with a compounded DRIP IRR since inception of 13.31%<sup>3</sup>, while the DLP Preferred Credit Fund came in at 11.03%<sup>3</sup>—both exceeding annual net return targets for investors.

In 2024, we expect to do more of the same. The industry currently has an estimated \$45B<sup>1</sup> multifamily debt funding gap. There's a reduced appetite for construction lending from banks, attributed by analytics and research firm Green Street to "more punitive capital requirements on secured loans"<sup>4</sup>, especially construction financing. A lack of traditional financing options as banks continue to tighten credit has contributed to multifamily starts dropping to the lowest level since the first month of the pandemic<sup>5</sup> as of March 2024, down a staggering 43.7%<sup>5</sup> since the same time last year. As demand for multifamily continues to grow, driven in part by growing housing affordability challenges, real estate sponsors are eager to find alternative financing solutions to be able to bring their projects to fruition and begin benefitting from the demand for these property types. Our credit funds are well-positioned to answer the demand. We are confident in our ability to be competitive for the business of some of the highest-quality borrowers, especially when capital from the DLP Preferred Credit Fund is coupled with senior lending from the DLP Lending Fund.

<sup>1</sup> <https://www.cbre.com/insights/articles/cmc-ep2-opportunities-and-outlook-multifamily-in-2024>

<sup>2</sup> As of 02.29.24

<sup>3</sup> As of 12.31.23

<sup>4</sup> GreenStreet, Apartment Insights, Fewer Sticks and Bricks in '26, April 21, 2024

<sup>5</sup> <https://www.realpage.com/analytics/multifamily-starts-plunge-in-march-indicating-when-supply-wave-could-taper/>



# OUR INVESTMENT THESIS

DLP Capital’s investment thesis serves as the compass guiding our investment review process, ensuring each opportunity aligns with our strategic principles and growth objectives. Committed to being diligent stewards of our investor capital, we have rigorous standards and thorough evaluations to safeguard and maximize returns for our investors.

We are basis investors. An investment can be great or terrible based on the price/basis.	We believe that the Sun Belt is the best place to invest, and the southeast is the best region within the Sun Belt.	We believe demand for single-family rentals within purpose-built communities will be in great demand.
We believe in investing in attainable workforce housing where rents are sub-30% of the area median income (AMI).	At least 85% of all of our investments are and will remain affordable for working families.	We believe that housing that is affordable to the local workforce will be in great demand in all market cycles.
We believe construction costs will continue to rise.	We believe that we are a Renter Nation. Between the desire for flexibility and the increased costs of home ownership, more and more people will become and/or remain renters.	We believe that housing supply will continue to be restricted, and demand will exceed the supply of attainable housing despite short-term over-supply in some markets.
We believe people want to be a part of a community and want connection.		
We believe people want to be connected to nature and spend more time outdoors, disconnected from technology.	We believe people and families want to live where they can have a dog(s).	We believe in investing when others are afraid or unable.
We believe in investing with significant equity that is subordinate to us.		

# OUR INVESTMENT STRATEGY

Our investment strategy is broken down into eight simple steps that begin with raising capital and culminate in excellent execution and communication:

Raise capital into evergreen funds via accredited investors that provide flexibility and confidence.	Invest in building Thriving Communities that house and serve working American families.
Finance great, experienced, proven sponsors committed to building Thriving Communities and organizations.	Choose strong markets in which to invest.
Focus on stabilized yield-to-cost and our basis.	Invest in people.
Execute extraordinarily.	Communicate proactively.

This strategy revolves around our role as a lender, offering leverage of up to 85% and providing preferred equity and mezzanine debt that can constitute up to 91% of the capital stack. As both developers and operators, we take a hands-on approach by directly creating new communities and outdoor resorts, fostering vibrant environments where residents feel a strong sense of belonging, resulting in an average occupancy exceeding eight years. Through our Thriving Community Life program, immediate attention to Capex and preventative maintenance, and strategic unit renovations focused on essential upgrades, such as hard surface floors, blinds, paint, and lighting, we aim for lasting value creation. Our commitment to long-term asset holding aligns with our opportunistic mindset, ensuring sustainable growth and successful investment outcomes.





# YOU WANT TO BE (IN)NER CIRCLE

**DLP Capital Inner Circle is an exclusive membership reserved for investors who have contributed at least \$2 million toward our impact investment funds. However, we're now offering this membership to all current investors who refer at least five new investors\* to DLP Capital. Get more out of your relationship with us while reaping incredible benefits like:**

- A week's vacation at your choice of luxury beachfront properties owned and managed by DLP Capital
- Substantial discounts on additional weeks at DLP-owned and operated properties
- Exclusive investment opportunities only made available to DLP Capital Inner Circle investors
- Invitations to two DLP Capital-sponsored events throughout the year (past event locations include Asheville, New Orleans, and Puerto Rico with guests like Tim Tebow, John C. Maxwell, Lloyd Reeb, and more)
- Invitations to private dinners and workshop events
- Golf outings and other social events sponsored by DLP Capital

As a current DLP Capital investor, you already experience exceptional value in the form of consistent high-yield returns and world-class customer service. Now, you can expand your benefits by referring family, friends, and colleagues.



**Refer an Accredited Investor Today!**

\*In order to qualify, the five referred investors must each make a minimum investment of \$200,000.





# INVESTOR SPOTLIGHT



## Tom Bissmeyer

Tom Bissmeyer's professional journey evolved from a shipyard welder to a finance graduate with a deep-rooted passion for real estate. Over the past two decades, he ventured into the short-term vacation rental industry, leading groundbreaking initiatives and establishing one of the largest franchise companies in the sector before exiting four years ago. Alongside his successful career, Tom cherishes family moments as a devoted husband to his wife, Lynne, and as a grandparent with two married children, balancing a love for travel and philanthropy.

Driven by a profound sense of purpose, Tom is actively involved in supporting nonprofits and charities, emphasizing the importance of giving back through financial assistance, dedicated time, and shared experiences. His commitment to service and empowerment shines through in his participation in initiatives like On Purpose, where he channels his ethos of selflessness and dedication to helping others discover their true purpose, embodying his belief that serving others is paramount in finding fulfillment and making a meaningful impact.

### What initially attracted you to becoming an investor, and what do you enjoy most about the investment experience with DLP Capital?

I was initially drawn to becoming an investor due to my successful background in real estate and the short-term vacation rental industry, seeking to generate income for my wife and me post-exit. Transitioning from personal production to income-generating investments led me to DLP Capital, where the focus on diversification and alignment resonated with my intentional investment approach. The faith-driven culture, quality of employees, and reliable returns through diversified funds at DLP Capital have not only met but exceeded my expectations, with the transparent and detailed reporting standing out as a highlight of my investment experience.

### Could you share why you decided to participate in the On Purpose Program (powered by Halftime)?

I decided to participate in the On Purpose Program because of my belief in enhancing the quality of life for all stakeholders, not just one, aligning with DLP's inclusive approach. Having learned the value of intentional living from past experiences and the significance of the 8 F's [faith, family, friends, freedom, finance, fitness, fun, and fulfillment] introduced by Don Wenner and DLP Capital, I see the power of purposeful living in driving personal success. The program's focus on faith, fitness, financial well-being, and more deeply resonates with me as a balanced approach to life that I strive for. Trying to live intentionally, I am eager to contribute, facilitate, and share my knowledge to further enrich this journey toward purposeful living.

### In what ways have you benefited from being a DLP Capital investor, and how has this impacted your financial goals or aspirations?

Being a DLP Capital investor has greatly benefited me by offering diverse investment opportunities across funds that align with my current financial position and aspirations. The U.S.-based nature of the investment, along with its regional focus and diversified portfolio, provides me with a sense of security and potential for substantial growth. The consistent income streams on a monthly or quarterly basis, coupled with the tailwind effect of investing in well-structured funds, have positively impacted my financial goals. Additionally, the expertise of DLP Capital's leadership team, the opportunity to participate in larger funds, and the comfort of knowing my wife, Lynne, can

easily manage our investments in the future all contribute to our confidence and peace of mind as investors in the program. And for those reading this who have never experienced an event with DLP Capital... I highly recommend attending one of their events to experience firsthand the professionalism, knowledge, and transparency that make DLP Capital a trusted investment partner.

### How do you perceive the community and support system within DLP Capital, and how has this contributed to your overall investment satisfaction and confidence?

The community and support system within DLP Capital have significantly influenced my investment satisfaction and confidence. DLP's commitment to enhancing the lives of all stakeholders creates a unique and refreshing ecosystem where each individual is valued beyond just their financial contribution. This approach, evident from top leadership down to every employee, instills a sense of trust and transparency throughout the organization. The genuine care and focus on the 8 F's not only for business success but also for personal well-being demonstrate that DLP is more than just an investment platform—it is a community invested in the growth and welfare of its investors as individuals. Again, I highly encourage others to experience this at DLP events to truly appreciate the authenticity and depth of support provided within this exceptional community.

### Looking ahead, what excites you the most about the future of your investments with DLP Capital, and what are your aspirations moving forward as an investor and with the On Purpose Program?

I am excited about the future of my investments with DLP Capital, particularly in witnessing how the company continues to challenge stakeholders and foster open communication through interactive Q&A sessions. The dedication of DLP Capital in addressing investor queries transparently and comprehensively gives me great comfort and confidence in my investments. Moving forward, I aim to increase my investments with DLP, knowing that the company's core focus remains on improving the lives of all stakeholders. Additionally, the prospect of participating in the On Purpose Program fills me with excitement as it aligns with my desire to give back and grow intentionally in this stage of life. By actively engaging in this program and following its principles, both personally and financially, I aspire to continue our journey of purposeful living and to contribute meaningfully to others, reflecting the blessings my wife and I have received.



# ON PURPOSE PROGRAM

**LIVING ON PURPOSE SHOULD BE AS EASY AS BREATHING.**

Your career is on the front burner. Family and friends keep you busy, too. It's a full life, and a good one.

But you know in your gut that God has a greater plan for you that you haven't quite tapped into yet.

**WHAT IS ON PURPOSE?**

The game-changing program that equips you to identify and live out the purpose you were made for — within the rhythms of the life you live, and the capacity you have, today.

On Purpose is a once-a-month, cohort-based program designed to fit into your everyday life. It helps you to close the gap between where you are now and who God made you to be.

Develop new skills, perspectives, habits, and community that fit your day, enhance your life, and maximize your impact on the world around you.

**WHAT CAN YOU EXPECT?**

**Develop your plan:**

Get clear on your purpose and priorities and create a pragmatic personal action plan that empowers you to maximize the life you live, today.

**Find your fellow travelers:**

Connect with peers on a similar journey and guides who have been in your shoes and can help you get there, together.

**Live your purpose:**

Learn how to weave your purpose into all of the aspects and rhythms of the everyday life you live now, naturally.

*Living on purpose isn't something that has to wait until later. The adventure of living your God-called life can start now.*

**READY TO START YOUR ADVENTURE?**



Scan the QR code to get started.

Powered by:  
**Halftime**

**THE ON PURPOSE COHORT EXPERIENCE**

1

**1 IN-PERSON LAUNCH SESSION**

Launching during the Building an Extraordinary Family event.

4

**4 INDIVIDUAL COACHING SESSIONS**

Delivered one-on-one to meet you where you are on your personal journey.

4

**4 VIRTUAL COHORT GATHERINGS**

Conversations are facilitated by an experienced Guide and are typically held monthly.

1

**1 IN-PERSON FINAL SESSION**

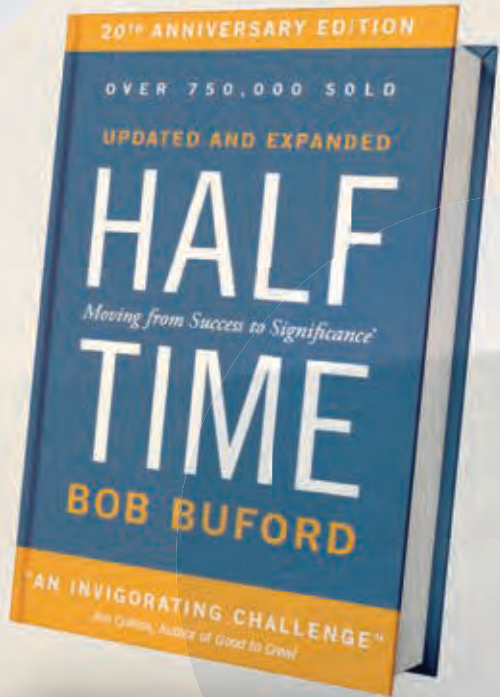
During the Extraordinary Impact & Legacy event in November.

**ABOUT HALFTIME**

The concept of “*halftime*,” a timeout to pause and reflect, was born out of the bestselling book “*Halftime: Moving from Success to Significance*,” written by Bob Buford in 1994.

Following the popularity and resonance of his book, Buford founded the Halftime Institute to provide a hands-on process and community for growth, support, and learning for people walking through their own season of “*halftime*.” Since then, Halftime has expanded to include world-class coaches, staff, and resources — equipping leaders all over the globe.

We are excited to share that Don Wenner is on the Halftime Institute’s Board of Directors, and we’re honored to partner with them on this exciting initiative. Visit [www.halftimeinstitute.org](http://www.halftimeinstitute.org) to learn more about their organization.





# MARKET RECAP

**All too often during the past cycle, we have seen the multifamily space painted with a broad brush. “It’s a 5% cap rate – that’s above market!” and “The Sun Belt is a strong investment!” Sophisticated investors recognize that not all 5% cap rates are created equal, and not all markets in the Sun Belt will perform in lock step with each other. As we see some headline distress in our space, it is important to not make broad generalizations, and get back to fundamentals.**

Despite headline reports of market-specific hyper-supply, the nation remains vastly under-supplied of attainable housing at the macro level. Higher interest rates have further widened the gap of rent vs own affordability, and the Fed appears unmoved to lower interest rates in the short-term. This has impacted consumer behavior by disincentivizing homeowners with low, long-term mortgage rates from relocating, lowered the number of available listings for sale, and ultimately created additional renter demand for those who cannot afford to buy a home.

Year	Share of Affordable Home Listings	U.S. Median Sale Price on New Home	Average 30-Year Fixed Mortgage Rate
2023	16%	\$427,400	6.81%
2022	21%	\$457,800	5.34%
2021	39%	\$397,100	2.96%
2020	45%	\$336,000	3.10%
2019	40%	\$321,500	3.94%
2018	37%	\$326,400	4.54%
2017	42%	\$323,100	3.99%
2016	45%	\$307,800	3.65%
2015	45%	\$294,200	3.85%
2014	46%	\$288,500	4.17%
2013	50%	\$268,900	3.98%



In the multifamily space, we have seen a more nuanced performance across the sector. Class A assets in strong locations have seen thinner bidding competition, but have not seen price erosion as institutions with strong balance sheets have looked to capitalize on investments below replacement cost. In fact, cap rates for Class A deals have remained stubbornly low despite new debt bringing negative accretion to the returns.

Similarly, build-to-rent (*BTR*) communities remain the darling of many institutions and developers and have seen strong performance and investment activity. While this asset class lacks the long-term data of garden style apartments, there is plenty of

evidence that BTR residents renew at much higher rates, which keeps turn costs down and occupancy high. Data also shows that renters are likely to pay between 15-20%<sup>1</sup> more per month, on average, for BTR product over traditional multifamily apartments.

We have seen significant distress in the Class C syndicated deal space, often with aggressive first-time sponsors who paid top of market pricing, used floating rate bridge debt, and are now navigating predictable property management challenges on older assets. Unfortunately, there are no easy answers for these investments, as the sumtotal of the distress means the asset is potentially no longer worth the debt.

<sup>1</sup> <https://www.costar.com/article/1475634112/with-billions-invested-build-to-rent-brings-changes-to-apartment-industry>



Key Multifamily Stats

Investment Activity

- Market activity for investment housing is picking up, with more deals getting done and more deals entering the market. CBRE, a leader in commercial real estate investments, anticipates more transactional volume in Q2 and Q3 '24<sup>1</sup>. They attribute growing investor conviction in the multifamily space to the ongoing undersupply of housing, greater stability in capital markets, and the potential for lower rates.

Sales & Cap Rates

- Multifamily per-unit pricing dropped by 16.6% over the last twelve months<sup>2</sup>.
- At 5.2%<sup>2</sup>, average cap rates remained unchanged from Q4 2023.

Rents, Demand, and Occupancy

- Average multifamily rent is expected to grow 2.8%<sup>3</sup> annually over the next five years, a return to pre-pandemic trends.
- Multifamily asking rents closed out Q1 '24 at \$1,823<sup>4</sup>, while effective rents (*those inclusive of promotional discounts*) were slightly lower at \$1,731<sup>4</sup>. Effective rents being so close to asking signals strong demand for multifamily, allowing properties to command higher rents and offer less concessions.
- The year kicked off with a strong rebound in demand, with over 100,000 units absorbed in Q1—the highest number since Q3 2021<sup>5</sup>. This robust demand was more than double that of Q4 '23<sup>6</sup>. With Q1 historically only accounting for 4% of the year's total demand volume<sup>6</sup>, industry experts are saying “*we might be in for a banner year for absorption*”<sup>6</sup>.
- The quarter closed with occupancy rates at 92.2%<sup>5</sup>.

Construction Starts, Permits, and Completions

- In March, multifamily starts dropped to their lowest level since the first month of the pandemic with a seasonally adjusted rate (SAAR) of 290,000<sup>7</sup>. This figure is down 20.8% month-over-month<sup>7</sup> and 43.7% year-over-year<sup>7</sup>.
- Multifamily permits SAAR remained unchanged month-over-month at 433,000<sup>7</sup>, though down 22.1% year-over-year<sup>7</sup>.
- Multifamily completions were down 19.9% month-over-month<sup>7</sup> at the end of Q1 '24, though up 4.6% year-over-year<sup>7</sup>.

1 CBRE, Opportunities and Outlook: Multifamily in 2024, January 2024  
2 Avison Young, U.S. Multifamily Market Report, Q1 2024  
3 CBRE, Renting Will Likely be Less Expensive than Buying a Home for Some Time, March 2024  
4 Moody's Analytics, Q1 2024 Preliminary Trend Announcement, April 2024  
5 Business Wire, Apartments.com Publishes Multifamily Rent Report for First Quarter of 2024  
6 Real Page, Putting 1st Quarter 2024 Apartment Demand in Perspective  
7 Real Page, Multifamily Starts Plunge in Marge, Indicating When Supply Wave Could Taper, April 2024

Key Single-Family Stats

Affordability

- Median single-family sales price for Q1 was \$420,800<sup>1</sup>. On average, major homeowner expenses (*mortgage payments, homeowner insurance, and mortgage insurance*) consume 32.3%<sup>2</sup> of the average national wage of \$71,708<sup>2</sup>.
- The 30-year mortgage rate ended the quarter at 6.32%<sup>3</sup>.

Supply

- Q1 closed with an 8.3<sup>4</sup> month supply of new homes<sup>4</sup> and only a 3.2<sup>5</sup> month supply of existing homes, as those who locked in mortgage rates before the Fed began their hikes are hesitant to sell.

Rents

- Up 0.7%<sup>6</sup> month-over-month, single-family rents closed Q1 at \$2,183<sup>6</sup>, a 37.5%<sup>6</sup> increase since the onset of the pandemic, evidencing strong demand from renters.



1 FRED Economic Data, Median Sales Price of Houses Sold for the United States, May 2024  
2 Attom Data, Home Affordability Increases Slightly Across U.S. During First Quarter, but Remains Difficult for Average Workers, March 2024  
3 Freddie Mac  
4 FRED, New Home Sales: Months Supply, March 2024  
5 FRED, Existing Home Sales: Months Supply, March 2024  
6 Zillow, Rental Market Report, March 2024



# INVESTMENT OUTLOOK

For Q2 / 2024

WE EXPECT RENTS TO INCREASE MODESTLY AT THE MACRO LEVEL OVER THE REST OF THIS YEAR, WHILE SPECIFIC MARKETS WITH SIGNIFICANT RECENT DELIVERIES WILL REMAIN FLATTER AS THEY CONTINUE TO ABSORB THE EXCESS SUPPLY. IT IS IMPORTANT TO NOTE THAT MOST OF THESE MARKETS, LIKE NW FLORIDA, AUSTIN, NASHVILLE, HUNTSVILLE, AND MANY OTHERS, SAW HYPER-SUPPLY DRIVEN BY INCREDIBLE DEMOGRAPHICS AND JOB GROWTH. WE BELIEVE THAT THE RENT DECLINES TODAY MIGHT ACTUALLY BE A GREAT OPPORTUNITY IF YOU CAN ACQUIRE BELOW REPLACEMENT COST.



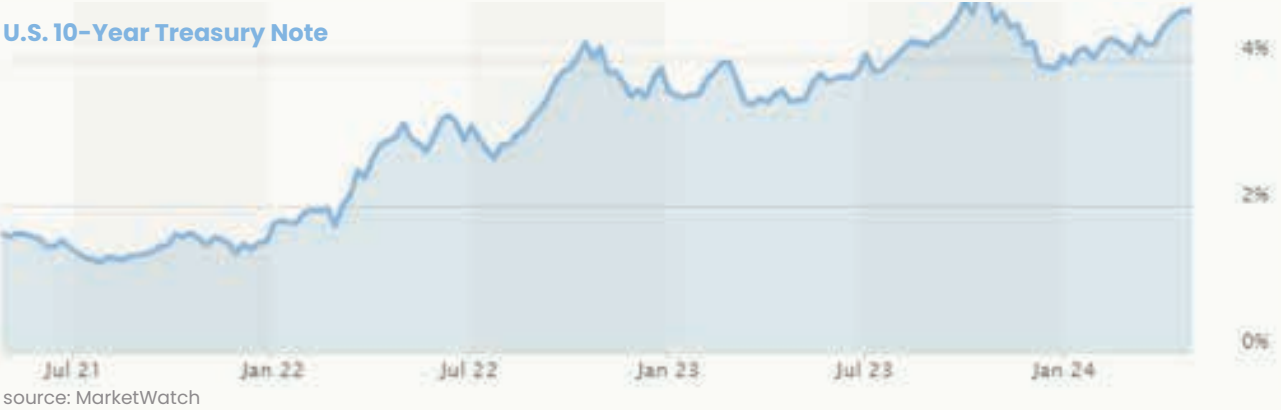
Dream. Live. Prosper.

Our forecast for occupancy is similarly nuanced. Generally speaking, we expect Class A and Class B to remain strong, in the 94-95% range, but just like rental rates, this can be very different in the face of submarket new supply absorption. For Class C, we see more distress on the operational side, as well as functional obsolescence for many assets built in the 1970's and older. For that reason, we expect Class C occupancy to perform worse than the macro market over the next year.

While many news outlets choose to focus on the new supply that is being delivered today, it is important to recognize that new starts are significantly diminished in the wake of higher building costs, higher interest

rates, and tightened lending practices. In 2 years, we will predictably be reading headlines of just how few deliveries have been completed, which will only serve to exacerbate the affordability crisis. For these reasons, DLP is bullish that projects breaking ground in 2024 will be *"the only game in town"* when they deliver in 2026-27, and have the potential for asymmetric rent growth.

*"Higher for longer"* has been the refrain for most of this year, and Treasury rates have been on a steady incline since early 2022. We believe moderation will begin later this year with 1 or 2 Fed rate cuts before the election cycle.



## DLP Outlook

For all the headwinds in the capital markets, first position debt remains a favorable risk-adjusted position, and we anticipate funding \$300-350M in loans in Q2; we remain confident in achieving our goal of \$1.5 billion for the year.

We are also expecting to invest around \$500M in deals as equity investor in 2024. This might come in many roles in the capital stack: as developer, buyer preferred equity provider, or rescue capital provider. Due to the dislocations across asset classes, we expect this to be primarily on newer assets (2015+) in which we can invest at a significant discount to the replacement market, in markets we really believe in.



# DLP Capital Sponsored Impact Funds

DLP Capital is committed to not only helping our investors do well, but also doing good with products that make a difference.

All DLP Capital Sponsored Funds have these features.

- Are evergreen—receiving ongoing funding throughout lifespan
- Invest in desperately needed workforce housing in U.S.
- Target above-market returns for investors
- Pay preferred returns to investors before paying 2% annual asset management fee<sup>1</sup>

<sup>1</sup> Subject to a Required Fee Payment only to the extent to fund continued operations and management of the Fund as further described in the PPM.

**Risk Disclaimer :** 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. Your decision to purchase and invest should be based on your own particular financial circumstances and investment objectives. DLP Capital Partners, LLC (formerly

known as DLP Capital Advisors, LLC), its officers, and representatives can in no way guarantee or warrant your success. Consult your tax advisor or financial advisor before investing. Past performance does not guarantee future performance. Please see fund offering documents for full details and disclosure.

**Note:** DLP Capital shall not be bound by or held responsible for typographical errors or omissions. In the event of an error, please reach out to DLP via email or phone for clarification, if necessary.

## DLP Investment Portal

Benefits of the Appfolio Investor Portal:

- Dashboard of your investments
- View your recent distributions
- Mobile app
- View your ownership interest
- 24/7 secure access
- Fund your investment directly through the portal
- Log in from any device

If you haven't accessed the portal, or if you're experiencing any issues logging in, please contact [invest@dlpcapital.com](mailto:invest@dlpcapital.com) or call our Investor Success Team at 610-488-2375 and our team will be happy to assist.

# DLP Housing Fund, LLC

QUARTER 1, 2024

OVERVIEW & FUTURE OUTLOOK

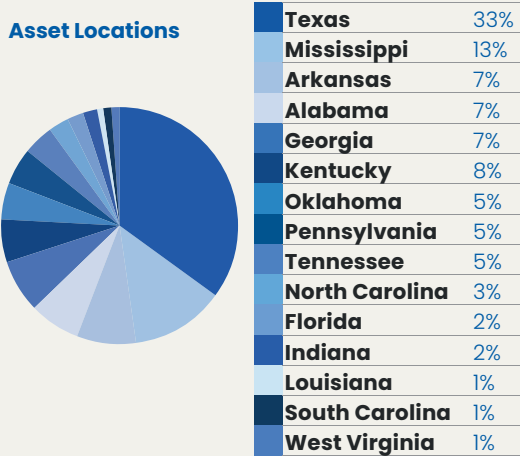
In the first quarter of 2024, the Fund announced its annual portfolio valuation, issuing retroactively 3.36% of additional units to existing members for the 2023 NAV adjustment, returning an annual DRIP IRR to investors of 10.01%. This achievement is noteworthy after closing out a challenging year marked by widespread property value declines reported by many operators and fund managers as a result of an increase in cap rates brought about by the rise in interest rates. The Fund was able to successfully overcome the impact of these declines by a combination of increases in rental rates coupled with its preferred investment strategy whereby the Fund typically receives priority returns over sponsors' equity in the distribution waterfall.

The Fund expects to raise the equity under management this year by \$50M. Additionally, the Fund intends to deploy \$100M across three specific scenarios: direct acquisition of communities in Southeast markets, providing rescue capital or preferred equity, or by originating senior construction loans earning double-digit interest rates.

The Fund's management team is committed to maximizing portfolio performance and returns to investors through strategic asset management and thorough analysis of investment opportunities.

FUND CHARACTERISTICS

Asset Locations



FUND DETAILS

Compounded DRIP IRR Since Inception <sup>1</sup>	19.47%
Capital Commitments	\$538,462,806
Total Real Estate Value	\$2,121,100,000
Annual Preferred Return	6.00%
Annual Asset Management Fee	2%, Subordinate to Preferred Return
Annual Asset Management Fee Rebate for Investments of 1M+*	0.50%
Annual Asset Management Fee Rebate for Investments of 10M+*	1.00%
Annual Asset Management Fee Rebate for Investments of 25M+*	1.25%
Redemption Period	Annual Redemption
Inception Date	01.01.2020
Target Annual Return (Net)	10-12%
Periods of Missed Preferred Return	Zero
Number of Communities	55
Number of Units	13,271
Performance Fees	20%
Management	DLP Housing Fund Manager, LLC
Unit Price Per Share	\$1,000
Call Structure	Optional for Investments > \$500,000

\* Asset management fee rebate on invested capital, per account, per fund, based on a minimum annual investment balance - per calendar year. See Fund documents for details.

1. As of 12.31.2023 (including the 2023 NAV unit shares issued)

IMPACT NUMBERS

Number of Residents (*As of 3.31.24)	35,463
Affordable Rent Collected	\$46,049,347
Estimated # of Lives Impacted (*As of 3.31.24)	39,813



DLP Preferred  
Credit Fund, LLC

COMPOUNDED DRIP IRR  
SINCE INCEPTION

11.04%

\* Inception Date – 10/01/21

QUARTER 1, 2024

OVERVIEW & FUTURE OUTLOOK

During the first quarter of 2024, the DLP Preferred Credit Fund once again published strong results. The Fund exceeded its 10% annualized net targeted return for the tenth consecutive quarter, distributing over \$1.4M to investors.

The Fund received \$7.0M from the payoff of a matured loan. The Fund remains well-capitalized, providing a solid foundation for pursuing new investment opportunities and expanding the Fund’s portfolio with a nearly 20% increase in new capital commitments quarter-over-quarter.

Management expects strong market fundamentals and demand for preferred credit solutions throughout the rest of 2024. The Fund seeks attractive opportunities to deploy capital to high-quality projects and sponsors.

LOAN ORIGATION VOLUME (Per annum)

2024		\$0
2023		\$19,037,600
2022		\$17,350,000
2021		\$6,341,919

FUND DETAILS

Compounded DRIP IRR Since Inception	11.04%
Annualized AVG Return Since Inception	10.53%
Target Annual Return (Net)	10–11%
Annual Preferred Return	9.00%
Fund AUM	\$66,668,532
Equity Commitments	\$56,913,392
Performance Fee	20%
Annual Asset Management Fee	2%, Subordinate to Preferred Return
Annual Asset Management Fee Rebate for Investments of \$1M+*	0.50%
Annual Asset Management Fee Rebate for Investments of \$10M+*	1.00%
Annual Asset Management Fee Rebate for Investments of \$25M+*	1.25%
Redemption Period	90 days
Fund Term	Evergreen
Inception Date	10.01.2021
Periods of Missed Preferred Returns	0 Months

\* Asset management fee rebate on invested capital, per account, per fund, based on a minimum annual investment balance – per calendar year. See Fund documents for details.

PORTFOLIO SNAPSHOT

Total Value of Underlying Real Estate	\$372,720,900
Total Volume of Fund Investments	\$34,415,100
Average Fund Investment	\$4,916,443
Average Borrower Subordinate Equity	\$8,404,029

ASSET OVERVIEW

Asset Type	City	State	# of Units / Parcels	Stabilized Value	Fund Investment Amount	Subordinate Equity
Commercial			203	\$59,020,900	\$4,000,000	\$12,538,466
	Fort Pierce	FL	133	\$16,909,514	\$1,300,000	\$4,046,379
	Surfside Beach	SC	70	\$42,111,386	\$2,700,000	\$8,492,087
Multifamily – New Community			514	\$167,300,000	\$11,130,000	\$22,585,000
	St. Augustine	FL	210	\$64,200,000	\$3,630,000*	\$2,825,000
	Kissimmee	FL	304	\$103,100,000	\$7,500,000	\$19,760,000
Manufactured Housing & RV – Existing			1,424	\$145,850,000	\$18,872,600	\$23,332,215
	Multiple	Multiple	676	\$112,350,000	\$11,700,000	\$17,013,818
	Multiple	MO	748	\$33,500,000	\$7,172,600	\$6,318,397
Land			2	\$550,000	\$412,500	\$372,524
	St. Simons Island	GA	2	\$550,000	\$412,500*	\$372,524
Total			2,143	\$372,720,900	\$34,415,100	\$58,828,205

\*Denotes Sr Mortgage

ANNUALIZED QUARTERLY RETURNS

Year	Q1	Q2	Q3	Q4	Non-DRIP Avg
2024	10.61%				10.61%
2023	10.05%	10.20%	10.99%	10.43%	10.42%
2022	10.16%	10.73%	11.23%	10.73%	10.71%
2021*	Fund wasn't open Q1-Q3 of 2021			10.06%	10.06%

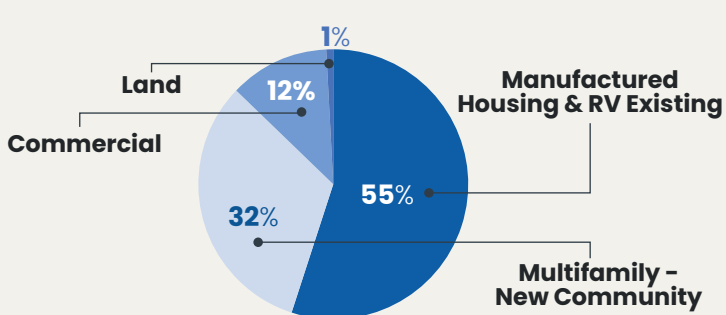
\*71 days of operations

MONTHLY RETURNS

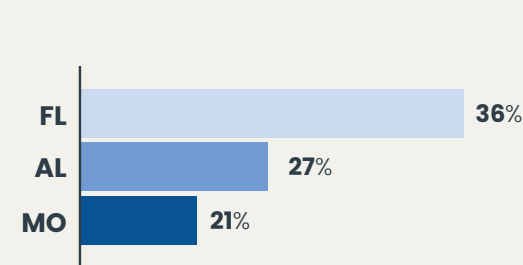
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	DRIP
2024	0.91%	0.87%	0.87%										2.65%**
2023	0.88%	0.81%	0.83%	0.87%	0.83%	0.85%	0.89%	0.95%	0.91%	0.86%	0.86%	0.88%	10.93%
2022	0.75%	0.70%	1.09%	0.75%	0.75%	1.18%	0.75%	0.75%	1.31%	0.75%	0.75%	1.18%	11.25%
2021*										0.28%	0.75%	0.96%	10.54%

\*71 days of operations | \*\*Year-to-date performance

ASSET TYPE BY PERCENTAGE



TOP 3 STATES





# DLP Lending Fund, LLC

MARCH, 2024

COMPOUNDED DRIP IRR  
SINCE INCEPTION\*

13.23%

\* Inception Date – 10/22/14

## OVERVIEW & FUTURE OUTLOOK

The DLP Lending Fund again exceeded its net targeted return in March, earning a 10.29% yield. This marks a continuation of exceeding net targeted returns each month since its inception in 2014. The Fund distributed over \$3.8M to investors this month, demonstrating its ability to generate consistent returns in line with expectations.

During the period, the Fund originated two loans to separate borrowers totaling over \$74.3M. Year-to-date, the Fund has originated eight loans totaling \$168.8M.

The Fund’s largest March origination totaled \$63M to assist with funding one of the largest communities ever constructed in the DFW area. The project will deliver several hundred homes, apartments, schools, an array of commercial properties, and a full complement of amenities for the community.

Through the DLP Lending Fund, DLP Capital remains committed to providing capital to experienced real estate sponsors and operators with proven track records. Management continues to focus on sponsors motivated to scale their businesses and share DLP Capital’s mission of bringing attainable housing to working families across America.

## FUND DETAILS

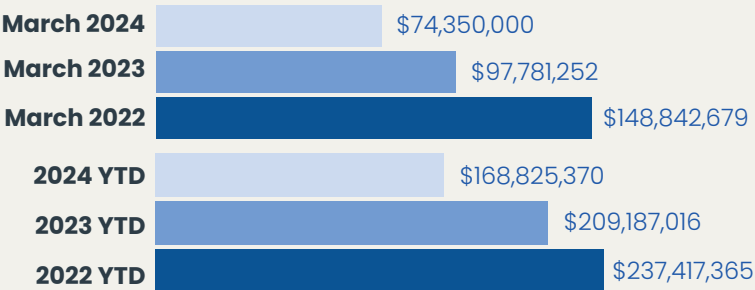
Compounded DRIP IRR Since Inception	13.23%
Annualized AVG Return Since Inception	12.50%
Target Annual Return (Net)	9–10%
Annual Preferred Return	8.00%
LTV Average	55%
LTC Average	74%
Total Loans Under Management	\$1,203,561,643
Fund AUM	\$938,772,581
Equity Commitments	\$458,575,614
Performance Fee	20%
Annual Asset Management Fee*	2%, Subordinate to Preferred Return
Annual Asset Management Fee Rebate for Investments of \$1M+*	0.50%
Annual Asset Management Fee Rebate for Investments of \$10M+*	1.00%
Annual Asset Management Fee Rebate for Investments of \$25M+*	1.25%
Inception Date	10.22.2014
Redemption Period	90 days
Periods of Missed Preferred Return	None
Fund Term	Evergreen
Management	DLP Management Group, LLC

\* Asset management fee rebate on invested capital, per account, per fund, based on a minimum annual investment balance – per calendar year. See Fund documents for details.

## DLP LENDING FUND HISTORY

	Monthly	Year to Date	Since Inception
Income	\$9,786,467	\$27,762,931	\$281,811,968
Expenses	\$5,943,286	\$16,521,543	\$143,601,354
Distributions	\$3,843,181	\$11,241,388	\$138,210,614

## LOAN ORIGATION VOLUME

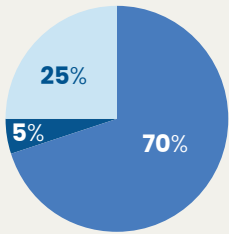


## LOAN PERFORMANCE (based on current loan amount)

Current	95.38%
31–60 Days Delinquent	0.59%
90+ Days Delinquent	4.03%

## ASSET TYPE BY PERCENTAGE

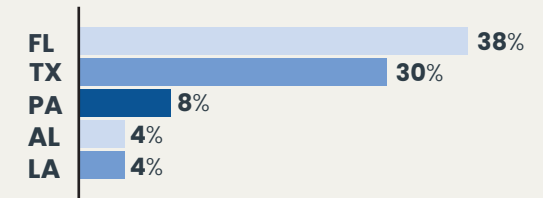
Community Loans	70%
Multifamily Existing	31%
Manufactured Housing & RV Existing	14%
Multifamily New Community	11%
Manufactured Housing & RV New Development	9%
Single-family New Community	5%
Land and Commercial	25%
Land	14%
Commercial	6%
Mixed-use	5%
Single-Family Scattered	5%
Single-family New Construction	2%
Single-family Existing	1%
Multi-Property – Existing	1%
Multi-Property – New Construction	1%



## LOAN REGIONS

Southeast	55%
Southwest	30%
Northeast	9%
Midwest	4%
West	2%

## TOP 5 STATES



## MONTHLY GROWTH

Assets Under Management	\$66,407,983
Loans Under Management	\$56,500,389
Capital Under Management	\$7,796,848

## TYPICAL DLP BORROWER

Average Liquidity	\$3,299,270
Average Credit Score	725
Completed Projects	210
Average Loans Per Borrower	3



DLP Lending Fund, LLC Continued

MONTHLY RETURNS

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	DRIP
2024	0.84%	0.83%	0.86%										2.53%*
2023	0.84%	0.85%	0.84%	0.83%	0.84%	0.84%	0.85%	0.83%	0.85%	0.84%	0.84%	0.84%	10.57%
2022	0.90%	0.95%	0.98%	1.07%	1.03%	0.92%	0.97%	0.93%	0.92%	0.86%	0.90%	0.84%	11.88%
2021	0.92%	0.92%	0.92%	0.92%	0.87%	0.87%	0.88%	0.89%	0.85%	0.84%	0.87%	0.84%	11.14%
2020	1.00%	1.01%	0.94%	0.95%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	11.86%
2019	1.05%	1.07%	1.04%	1.05%	1.05%	1.04%	1.02%	1.02%	1.04%	1.01%	1.01%	1.01%	13.14%

\*Year-to-date performance

ANNUALIZED MONTHLY RETURNS

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	NON-DRIP AVG
2024	10.05%	10.01%	10.29%										10.12%
2023	10.05%	10.25%	10.14%	10.01%	10.05%	10.06%	10.16%	10.01%	10.13%	10.05%	10.07%	10.06%	10.09%
2022	10.79%	11.36%	11.80%	12.89%	12.36%	11.04%	11.62%	11.14%	11.00%	10.35%	10.85	10.12%	11.28%
2021	11.04%	11.09%	11.08%	11.03%	10.47%	10.47%	10.55%	10.71%	10.16%	10.09%	10.50%	10.12%	10.61%
2020	12.04%	12.09%	11.22%	11.39%	11.06%	11.05%	11.06%	11.05%	11.04%	11.06%	11.02%	11.06%	11.26%
2019	12.65%	12.81%	12.45%	12.61%	12.54%	12.51%	12.20%	12.22%	12.53%	12.11%	12.18%	12.06%	12.41%

Inception Date - 10/22/14

DLP Building Communities Fund, LLC

QUARTER 1, 2024

OVERVIEW & FUTURE OUTLOOK

In Q1 2024, the DLP Building Communities Fund incurred a 14.5% rise in its capital commitments, surpassing \$125M. This growth has fueled a 75% year-over-year increase in AUM, helping to advance project developments and initiate new undertakings. The significance of this growth magnifies the Fund’s footprint in creating thriving communities while providing significant returns to its investors.

In addition to the Fund’s 12.28% DRIP-based IRR through 2023, the Fund distributed \$2.28M to its investors for its standard 8% per annum quarterly preferred return.

On January 1st, the Fund executed its previously announced strategy of integrating a REIT subsidiary and holding company structures to improve the tax treatment and tax efficiency for its investors.

Looking ahead, management anticipates a strong year with over 1,500 units scheduled for delivery and is thoroughly monitoring project execution to ensure efficiency and maximum returns. The team remains dedicated to achieving its yearly goals and objectives through diligent work, meticulous attention to detail, and unwavering commitment.

FUND DETAILS

Compounded DRIP IRR Since Inception¹	12.28%
Capital Commitments	\$125,240,060
Annual Preferred Returns	8%
Annual Asset Management Fee*	2.0%, Subordinate to Preferred Return
Annual Asset Management Fee Rebate for Investments of \$1M+*	0.50%
Annual Asset Management Fee Rebate for Investments of \$10M+*	1.00%
Annual Asset Management Fee Rebate for Investments of \$25M+*	1.25%
Redemption Period	Annual Redemption
Inception Date	10.01.2021
Targeted Annual Return (Net)	11-13%
Periods of Missed Preferred Returns	Zero
Performance Fee	20%
Management	DLP BCF Manager, LLC
Unit Price per Share	\$1,000

1. As of 12.31.2023

\*Asset management fee rebate on invested capital, per account, per fund, based on a minimum annual investment balance - per calendar year. See Fund documents for details.

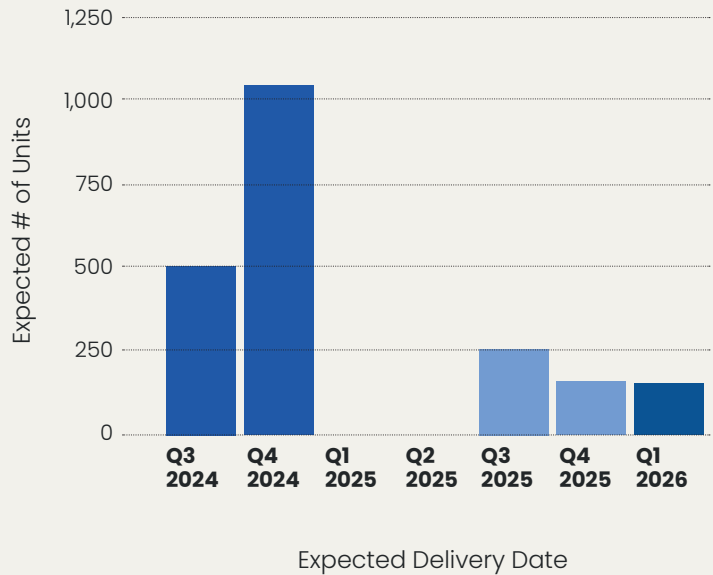
IMPACT NUMBERS

Number of Future Residents & Lives Impacted	33,135
Number of Jobs (Long Term)	231
Number of Jobs (Development & Construction)	9,672
Total Development & Construction Budget (Estimated \$)	\$1,171,627,914
Estimated Number of Future Units	11,045



DLP Building Communities Fund, LLC | Continued

PROJECT UNIT DELIVERIES BY QUARTER



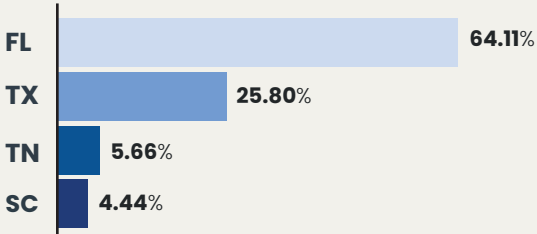
CURRENT IN DEVELOPMENT

5,764

CURRENT IN PRE-DEVELOPMENT

5,281

TOP STATES



QUARTERLY RETURNS

Year	Q1	Q2	Q3	Q4	DRIP
2024	2.00%				2.00%**
2023	2.00%	2.00%	2.00%	5.30%	11.74%
2022	0.00%	0.00%	0.00%	13.11%	13.11%
2021*	Fund wasn't open Q1-Q3 of 2021			0.53%	8.00%

\*24 days of operations | \*\*Year-to-date performance

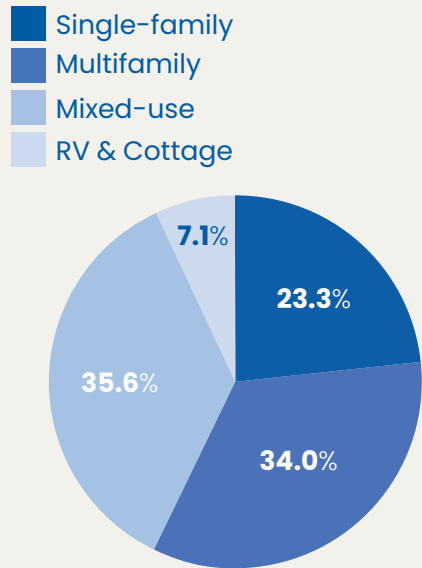
ANNUALIZED QUARTERLY RETURNS

Year	Q1	Q2	Q3	Q4	NON-DRIP AVG
2024	8.00%				8.00%
2023	8.00%	8.00%	8.00%	21.18%	11.30%
2022	0.00%	0.00%	0.00%	13.11%	13.11%
2021*	Fund wasn't open Q1-Q3 of 2021			8.00%	8.00%

\*24 days of operations

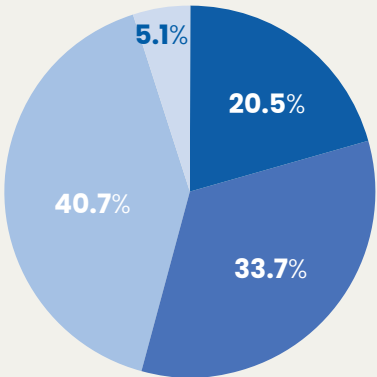
COMMUNITY TYPES

(% of expenditures as of quarter end)



COMMUNITY TYPES

(% per development budget)



Dream Marine Creek Ph.1

Location	Ft. Worth, TX
Type	Multifamily
Investment Amount	\$15.9M
Investment Date; Stabilization	Q4 2021; Q2 2025
Current Status	Vertical
Total units	225

Dream Marine Creek is steadily advancing towards completion, with building delivery slated to commence in mid-Q3.

Preparations for paving community roads and side-walks are underway, alongside the wiring installations for the clubhouse, pool, and lighting.





DLP Building Communities Fund, LLC | Continued

Dream Winter Haven

Location	Winter Haven, FL
Type	Multifamily
Investment Amount	\$9.38M
Investment Date; Stabilization	Q4 2021; Q2 2025
Current Status	Vertical Construction
Total units	280

The Dream Winter Haven project is progressing well in its vertical construction.

Unit deliveries are anticipated to commence in a phased rollout during Q3 2024, with a stabilization target set for Q4 2025.



Dream World Golf

Location	St. Augustine, FL
Type	Multifamily
Investment Amount	\$2.4M
Investment Date; Stabilization	Q1 2022; Q4 2026
Current Status	Pre-Development (Clearing & Off-site)
Total units	209

Conveniently located across from DLP Capital's St. Augustine headquarters, Dream World Golf is an exciting garden-style development project that comprises 209 elegant units. The community will feature 1, 2, and 3-bedroom units, with an average unit size of 911 square feet.

DREAM World Golf is in the final stages of development and management expects to enter horizontal construction shortly.



Downtown Jacksonville Ph.1

Location	Jacksonville, FL
Type	Mixed-use
Investment Amount	\$22.7M
Investment Date; Construction Start	4/18/22 - 2/27/23; TBD
Current Status	Engineering, Design & Permitting
Total units	1171

Gateway Jax's Phase 1 redevelopment project in Jacksonville is progressing smoothly. Most of the site design work is anticipated to be completed within the coming weeks.





## DLP Capital Sponsored Funds Comparison

APPLIES TO ALL DLP CAPITAL SPONSORED FUNDS							
Fund Term	Minimum Investment	Annual Asset Management Fee* Rebate for Investments of \$1M+**	Annual Asset Management Fee* Rebate for Investments of \$10M+**	Annual Asset Management Fee* Rebate for Investments of \$25M+**	Performance Fee	Benefits of Leverage	IRA Investment Options
Evergreen	\$200,000	0.50%	1.00%	1.25%	20% upon achieving preferred return	Yes	Yes

	DLP LENDING FUND	DLP PREFERRED CREDIT FUND	DLP HOUSING FUND	DLP BUILDING COMMUNITIES FUND
<b>Fund Type</b>	Private Senior Secured Mortgage Fund	Private Preferred Credit Fund	Private Real Estate Investment Fund	Private Real Estate Investment Fund
<b>Fund Investments</b>	Debt investments for the construction, acquisition, and repositioning of attainable rental housing.	Primarily equity and debt investments in RV and rental housing properties.	Primarily equity investments into value-add, build-to-rent and multifamily communities.	Primarily preferred equity investments in entities developing new rental communities (ground-up construction).
<b>Direct/Indirect Security</b>	1st position senior mortgages backed by real estate along with personal guarantees	Senior loans secured by mortgages, equity pledges, and personal guarantees, or mezzanine loans secured by equity pledge in the borrowing entity.	Equity ownership in rental housing communities.	Senior mortgage loans and mezzanine loans secured by the property or equity ownership in borrower/owner of the real estate.
<b>REIT</b>	Yes	Yes <sup>4</sup>	Yes; REIT Subsidiary <sup>5</sup>	Yes; REIT Subsidiary Component <sup>6</sup>
<b>Distribution</b>	All distributions paid monthly	All distributions paid monthly	Monthly (Preferred); Annually (EDC)	Quarterly (Preferred); Annually (EDC)
<b>Reporting Frequency</b>	Monthly	Quarterly	Quarterly	Quarterly
<b>Annual Preferred Return</b>	8%	9%	6%	8%
<b>Targeted Annual Return (Net)</b>	9–10%	10–11%	10–12%	11–13%
<b>2023 Compounded DRIP IRR</b>	10.57% <sup>1</sup>	10.93% <sup>1</sup>	10.01% <sup>1</sup>	11.74% <sup>1</sup>
<b>Compounded DRIP IRR Since Inception</b>	13.23% <sup>2</sup>	11.04% <sup>2</sup>	19.47% <sup>1</sup>	12.28% <sup>1</sup>
<b>Redemption Period</b>	90-Day Notice	90 Day Notice	Annual	Annual
<b>Potential Tax Shelter through Depreciation</b>	No	No	Yes	No
<b>QBI (199A) Deduction Eligible</b>	Yes <sup>3</sup>	Yes <sup>3</sup>	Yes <sup>3</sup>	Partial
<b>Tax Reporting Method</b>	1099-DIV	1099-DIV	K-1	K-1
<b>Target Fund Size</b>	\$2,000,000,000	\$1,000,000,000	\$2,000,000,000	\$2,000,000,000
<b>Inception Date</b>	October 2014	October 2021	January 2020	October 2021

2. As of March 31, 2024

4. REIT effective January 1, 2023

5. REIT Subsidiary effective March 12, 2020

Management Fee: 2.0%. Subordinate to preferred return. Subject to a Required Fee Payment only to the extent to fund continued operations and management of the Fund as further described in the PPM.

## NOTES



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NOTES

Dream. Live. Prosper.







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