

DREAM. LIVE. PROSPER.  
SUMMER 2023



# *Quarterly* **IMPACT REPORT**



*Go confidently in the  
direction of your dreams!  
Live the life you've imagined.*

~ Thoreau



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# THE DLP CAPITAL STORY

## History, Facts, & Stats

DLP Capital is a private, diversified real estate investment firm. Our core focus is on investing in, developing, and financing attainable housing for America's workforces, 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 more than \$4.5 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.

For more Information, follow us [@DLPCapital](https://twitter.com/DLPCapital) or visit [DLPCapital.com](https://DLPCapital.com).

## DLP By The Numbers

**\$400M+**

total annual revenue

**2,500**

current investors

**\$2B+**

deals funded in 2022

**85,000**

residents in our thriving community

**\$1.5B+**

Development and Construction Pipeline

**10,000**

Jobs Created through Housing that we are Building

**11 YEARS**

in a row, Inc. 5000 Fastest Growing Companies

**\$5B+**

assets under management

**\$366,194**

productivity per person



# FUND RETURNS

## Quarter 2

**10.20%**

**PREFERRED  
CREDIT FUND**

*Q2 2023 Return*

**12.81%**

**BUILDING  
COMMUNITIES FUND**

*Annualized Return  
Since Inception as  
of 12/31/2022*

**6.34%**

**HOUSING FUND**

*YTD Preferred Return as  
of 6/30/2023*

**10.06%**

**LENDING FUND**

*June 2023 Monthly  
Return as of 6/30/2023*

# OUR CORE VALUES

**What makes DLP Capital able to achieve such great results?**

It comes down to 10 principles brought to life by every person who works here. By living these values out each day, they have become more than just words—they are the essence of who we are and how we consistently deliver greatness.

**DRIVEN** *for*  
**GREATNESS**

**STEWARDSHIP**

**TWENTY MILE  
MARCH**

*servant*  
**LEADERSHIP**

**EXECUTION &  
EXCELLENCE**

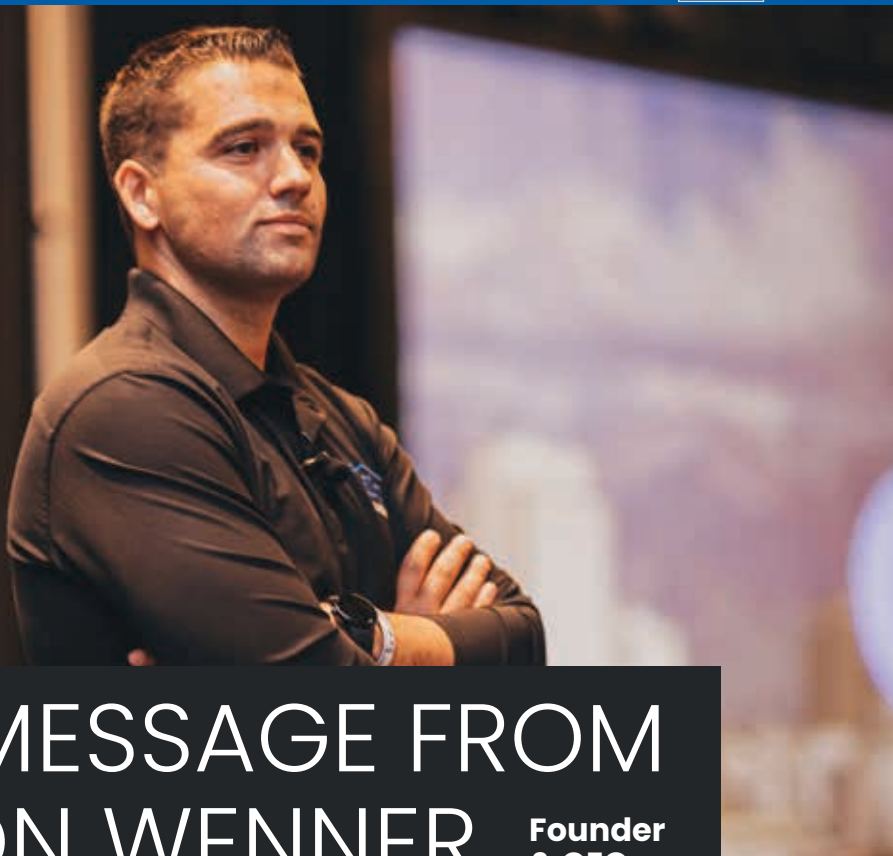
*innovative*  
**SOLUTION  
FOCUSED**

*living*  
**FULLY**

*enthusiastically*  
**DELIVERING  
WOW**

**GRIT**

*humble*  
**CONFIDENCE**



# A MESSAGE FROM DON WENNER

**Founder  
& CEO**

**I am excited to share with you the accomplishments and advancements we have made during an eventful second quarter of 2023. Whether you're a new investor or team member, or you've been a part of the family for an extended period, I want to first extend my gratitude for your support throughout the first half of this year. With market uncertainties and recent volatility, I understand that trust is paramount when it comes to your investment dollars. That's why our team is working tirelessly each day to ensure your investments and commitments are safe and secure with DLP Capital.**

This quarter was also marked by a series of successful initiatives and events. In May, we hosted a Leadership Event in Asheville that exceeded our expectations and truly underscored the strength and commitment of our team. We also launched Dream Outdoor Resorts, a new brand dedicated to our RV resort communities, showcasing our continuous efforts to innovate and cater to diverse investment opportunities.

Our dedication to transparency and education remained strong as we hosted several informative webinars, all of which are available for your perusal in our resource vault, The Twenty. Visit [www.dlpcapital.com/twenty](http://www.dlpcapital.com/twenty) to access these webinars and more.

Most importantly, amidst these exciting developments, we never lost sight of our primary goal – preserving investor capital and delivering consistent above-market returns to our esteemed investors. I am pleased to report that we continued to meet this objective in Q2 while also welcoming new Elite members into our DLP Capital family.

As we move forward, we remain committed to maximizing your investments and unlocking your financial freedom. Thank you for your continued trust in DLP Capital, and I hope you enjoy this next edition of our Seasonal Report.

Sincerely,

**Don Wenner**

**CEO and founder, DLP Capital**



# MEET DON WENNER

Father, Husband, CEO, & Author



**17 years** leading DLP Capital— **impact** investment management company with **\$5+ billion in AUM**

Inc. 5000 **11 straight years**

**12+ Years** of marriage  
(in a row)

Grew up in Easton/  
Nazareth, PA area

Acquired more than **25,000 homes and apartments** for over **\$5 billion**

Funded more than  
**\$5 billion in loans**

**3 sons**, Donny, Alex, & Jake

Lives in St. Augustine, FL, with  
a 2nd home in Asheville, NC

Closed more than **30,000 real estate transactions** totaling over **\$10 billion**

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

**2 dogs**, Penny & Luna

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

# A CALLING TO BUILD BETTER

**A Better Company. Better Leaders. Better Communities.**

## PURPOSE

Dream. Live. Prosper. Passionately making an extraordinary impact by transforming lives and building thriving communities.

## BHAG (*Big Hairy Audacious Goal*)

Provide housing to 1 million people, and positively impact and transform 10 million lives leading to a spot on the Forbes list of top 100 private companies in America.

## MISSION

To become the largest investor in rental housing communities and RV resorts in the world.

# MOMENTUM THROUGH OUR GROWTH FLYWHEEL

### 1. **Attract Talent & Invest in Culture**

Attract extraordinary team members and invest in outstanding culture.

### 2. **Capital Invested**

Capital invested into private impact investment funds by accredited investors that build thriving communities.

### 3. **Finance & Support Real Estate Sponsors**

Finance and support value-aligned Elite developers and sponsors who are building thriving communities.

### 4. **Develop, Build, & Operate Communities**

Develop, build, and operate thriving communities that are attainable for working families.

### 5. **Consistent Returns to Investors**

Generate and distribute consistent double-digit returns to investors.

### 6. **Transform & Enrich Lives**

Transform and enrich the lives of our stakeholders, including team members, investors, operators, residents, and guests.





# OUR SENIOR LEADERSHIP TEAM

DLP Capital is strategically leveraging the depth of experience within our leadership team to realize ambitious growth objectives. Their commitment to forging a culture based on respect and servant-leadership not only helps us achieve these goals but also positions us for sustained success in years ahead by developing future organizational leaders.



**DON WENNER**  
Founder & CEO



**ROBERT PETERSON**  
Chief Financial Officer



**CLAUDIA SCHIEPERS**  
Chief Funds Officer



**GINA LUJAN**  
Chief People Officer



**TOM HALLOCK**  
Chief Lending Officer



**JIM BOYCE**  
President, Development & Construction



**BARRY DEGROOT**  
Managing Principal, Chief Legal Counsel



**BO PARFET**  
Managing Principal



**TERESA DEVOS**  
Senior Managing Director, Head of Portfolio Management



**RAUL LLANES**  
Managing Director of Capital Markets



**LARRY HICKERNELL, JR.**  
Senior Director of Investor Success



**RICH DELGADO**  
Managing Director, Structured Finance & Capital Partners



**NICK LANNI**  
Senior Director of Credit, Risk and Investments



**GARRET ASKEEW**  
Managing Director of Construction



**LINDA LEE**  
Senior Director, Head of Marketing

# FOUR CRISES FACING AMERICA

## and Our Impact Mission

### 1. The Happiness Crisis

**According to the General Social Survey, since the year 2000, the percentage of Americans saying they are “not too happy” has risen from 10% to 24%. Meanwhile, the percentage saying they are “very happy” has fallen from 34% to 19%.**

According to data reported in 2021 in the General Social Survey, Americans were the unhappiest they’ve ever been—23% reported they were “not too happy”—the lowest portion since the survey started in 1972. Considering the events that have impacted the United States in the last couple of years, it’s easy to blame the pandemic or other social topics. However, this crisis was unfolding long before COVID-19 showed up. It’s an issue that experts have been trying to solve for decades. In truth, our happiness has been in decline for some time. The pandemic has simply magnified just how serious it is, and the need to improve the overall happiness and health of our nation. It’s hard to pin down why any one person is experiencing unhappiness, but speaking in broad strokes, there are three other significant crises that are likely major contributing factors:

### 2. The Housing Affordability Crisis

America is facing a severe crisis in affordable housing, with the average worker unable to own and increasingly dependent on rental units. According to Attom Data Solutions’ report, there are now 12 million Americans spending more than half their income paying rent—a figure that has risen by 30% since 2015. Furthermore, both home buying and renting costs have steadily increased over time due to an inadequate availability of housing options available within the US marketplace – 70% higher rents compared with 10 years ago being prime evidence of this trend’s severity. People are getting

priced out of the housing market and having their finances drained just to have a place to call home.

### 2. The American Workforce Crisis

As the American working landscape has drastically changed over recent years, so have employee engagement levels. In past generations, people often felt a sense of purpose and value through their jobs that is now sorely lacking. Just one in three workers reported they were engaged at work in 2022. The remaining two in the three are either generally disengaged or—more significantly—“actively disengaged,” feeling disgruntled and disloyal “because most of their workplace needs are unmet,” as Gallup reports. Mental health issues among workers are also on the rise due to worries about financial stability as well as inadequate support systems within organizations. This resulted in 47 million workers leaving their current positions for better opportunities that offer improved remuneration packages and a harmonious balance between professional duties and personal life endeavors, alongside enhanced company cultures where employees feel appreciated for hard work conducted year-round.

### 4. The Wealth Legacy Crisis

For generations, families have striven to create wealth that outlasts them. Yet with a lack of direction and education for the next in line, it is estimated that 70% of family fortunes are not passed on into a second generation – increasing to 90% by the third! Achieving permanent generational prosperity requires more than just hard work: setting clear goals and having open communication must be coupled with educating and involving members beyond immediate descendants if legacies are ever intended to last.



# THE GOOD NEWS IS THAT ALL IS NOT LOST.

Each of these crises represents an opportunity for positive change. That's why DLP created the **4X Bottom Line Impact Investment Approach**. At the heart of our business is the realization that we can do good for society while empowering families and other investors to secure prosperity for themselves and future generations. Everything we do is focused on:

- Delivering consistent returns to investors
- Providing safe, clean, and affordable workforce housing
- Growing businesses and creating jobs
- Helping our residents create wealth and prosperity

In short, everyone wins, and no one loses. That's why our lending strategy is focused on helping to create opportunities for growth in work-place housing by providing capital to operators and builders - which helps scale their businesses while creating jobs within local communities. Additionally, we operate with the common goal of making sure everyone has an environment where they can further develop themselves both professionally and personally - allowing them to be "wealth creators" that will help enrich legacies over generations rather than letting wealth die out after a few years.



# DLP PROSPERITY MEMBERSHIP OVERVIEW

Through mentorship, insights, tools, and training, we are equipping a greater community to be evangelists and ambassadors for the mission of Living Fully. Our members are committed to the idea of helping themselves and others dream, live, and prosper.

**The DLP Prosperity Family, Wealth, and Legacy Membership has a straightforward aim: to help people build wealth for their families and leave a legacy that lasts for generations. At its core is invaluable, practical advice and guidance on achieving financial freedom, covering tax, risk protection, investment, estate, and peer review session planning.**

The membership also focuses on living fully, including the legacy of positive action, impact philanthropy, and family compass that lead to a sense of personal significance and fulfillment. It includes personalized tools to support planning, education, investment, workshops, retreats, and more, all designed to help members achieve the success they're looking for in life.

## **Membership Benefits**

- Free to all existing investors
- Access to conferences
- Educational webinars, tools, and resources
- Personal financial dashboard



# IMPACT INVESTING

*Doing Well While Doing Good.*



**Despite changing market conditions, one thing remains constant: America's housing affordability crisis. Due to rising interest and mortgage rates and stagnant wage growth, America's workforce is struggling to find housing that fits their needs and budget. A recent Pew survey found that almost 9 in 10 Americans believed the lack of affordable housing was a problem in their communities.**

As reported by the Washington Post, at least 1.5 million homes—and perhaps as many as 5 million homes—are needed to plug the affordable home gap. This means lower-income households often have a difficult choice to make: pay more than they would like to own a starter home, which often results in longer commutes and little money left for daily needs, let alone emergencies, or pay higher rent to secure one of the few rentals available. The additional stress and anxiety keep this population from feeling as fulfilled and connected as possible, leading to lower work

productivity. This downward spiral contributes to another countrywide issue: the 'happiness crisis'.

That's why DLP is committed to providing, preserving, creating, and managing workforce housing communities that working families can more easily afford. We invest as an operator, equity partner, and lender—managing, leasing, sourcing, selling, and servicing investments in communities across America. It's our way of helping families lead happier, more sustainable lives. We also take our responsibility to our investors very seriously. We use our Elite Execution System and exclusive membership platforms to help our investment clients and elite operators choose, create, grow, and preserve prosperity, today and for future generations. We want them to stay with us on this journey and witness the rewards that come to themselves and others. It's all about creating a never-ending cycle of prosperity and growth in the world.

## EVENT RECAP

# ELITE & PROSPERITY LEADERSHIP EVENT

ASHEVILLE, NC



**DLP Capital recently had the pleasure of hosting our Elite and Prosperity Leadership Event at one of North Carolina's most stunning venues, the Omni Grove Park Inn. The backdrop of this resort's exceptional beauty and world-class amenities provided a truly unforgettable experience for all attendees.**

The event was packed with powerful keynote presentations, interactive workshops, and engaging discussions that fostered learning, inspiration, and connection amongst DLP Capital leaders and many Elite and Prosperity members. Each session offered valuable insights into effective leadership practices, innovative strategies, and the essential qualities that define truly great leaders.

We're incredibly grateful to all who attended and contributed to the event's success. Your enthusiasm, engagement, and commitment to leadership excellence made this event a truly enriching experience!





## UPCOMING EVENTS

### NOVEMBER

#### ELITE & PROSPERITY FAMILY, WEALTH, AND LEGACY CONFERENCE

**Date:** ..... November 8-12, 2023

**Location:** ..Ponte Vedra Beach, FL

##### **STRENGTHENING FAMILIES, BUILDING WEALTH, PRESERVING LEGACY**

This event is designed to provide attendees with practical tools and resources to build healthy relationships, navigate challenges, and create meaningful connections with loved ones, all while building wealth and a legacy that will last for generations. Whether you're a parent, grandparent, caregiver, or simply someone who wants to learn more about all three of these dynamics, this event offers something for everyone. Join us as we explore the importance of family, wealth, and legacy, and discover new ways to cultivate strong relationships and financial prosperity that will stand the test of time.

##### **The Venue:**

Nestled in the heart of Northeast Florida along the world-famous TPC Sawgrass Golf Course, the luxurious **Sawgrass Marriott Golf Resort & Spa of Ponte Vedra Beach** offers guests breathtaking views of the surrounding area and provides a serene atmosphere to relax and unwind. Escape the chill of fall weather and bask in the Florida warmth as you enjoy world-class dining options, poolside refreshments, and activities designed with families in mind. Rooms in our block are limited—book early to secure your selection!

#### INVESTOR DAY 2023

**Date:** ..... November 11, 2023

**Location:** .....Ponte Vedra Beach, FL

##### **INTRODUCING OUR FIRST-EVER INVESTOR DAY AT DLP CAPITAL**

Mark your calendars for November 11 and prepare for an exclusive event designed just for our valued DLP Capital investors! We're thrilled to announce our very first Investor Day, a special occasion that promises to deepen your connection with us and our portfolio of funds.

Taking place at the culmination of our Prosperity Family, Wealth, and Legacy Conference, Investor Day will feature dedicated sessions for each fund. This is your chance to gain detailed insights into the workings of each fund, learn about their performance, and understand their future strategy.

Join us on November 11 for a day that celebrates our shared commitment to financial growth and success. Stay tuned for more details!

**Note:** Cost to attend Investor Day is a \$250 deposit which will be refunded upon checking in. If you are attending the Prosperity Family, Wealth, and Legacy Conference, Investor Day is included in your registration.

For more information on all upcoming events, visit [dlpcapital.com/events](https://dlpcapital.com/events)

# CAPITAL RAISING

**As the hurdles of homeownership rise, DLP Capital opens up doors for housing solutions that seek to meet this challenge. Investing in these opportunities presents potential rewards worthy of consideration.**

Every would-be homeowner priced out of the market is a potential renter – and we continue to invest in properties and related assets that will satisfy that rental demand. In 2022, we reduced investment minimums for accredited investors from \$500,000 to \$200,000. Because of the success of this initiative, **we have decided to keep these reduced minimums!**

By reducing investment thresholds, we aim to more expediently deploy aggregated sums as we seek to capitalize on rapidly-emerging opportunities – including a current DLP Capital pipeline under contract of over \$1 billion.

Our track record is a testament to our skills and diligence in identifying exceptional opportunities and managing them effectively. DLP Capital has never lost a dollar of principal among our investment funds – and we have never missed achieving our targeted returns, which range from 5% to 13%. In fact, even our most conservative funds have reaped historical returns upwards of over 10%+ since inception.





Among our fund offerings, the focuses include:

- Value-added equity investments into workforce housing communities, both single-family and multifamily rentals.
- Debt and equity investments in the development, acquisition, improvement, and management of rentals, primarily affordable housing, in markets with solid fundamentals.
- Lending to top-tier operators and builders to create, improve, and preserve affordable workforce housing while helping the sponsors scale their businesses.
- Preferred credit positions with operators, builders, and lenders involved in the above.
- Fixed-rate note positions centered around initiatives to improve housing and job creation in low-income communities – yet another way for DLP Capital and its investors to do well while doing good.

Of note for new investors unfamiliar with our funds: advantages may include flexible redemption features, limited volatility, tax advantages, and as with all our funds, the ability to be part of a broader goal—helping to transform the lives of millions of our nation’s residents, giving back to them the dreams of prosperity that begin with affordable housing.

In the words of Aaron Bare, a Wall Street Journal reporter and author who is a regular speaker at DLP Capital’s events, *“As the problems of the world will impact us all, investments in companies that solve problems of such universal importance are more likely to grow exponentially. ESG [Environmental, Societal, and Governmental] has grown to encompass \$35 trillion of the \$90 trillion global economy...These future Goliaths are starting to do the right thing, even when no one is looking.”*

## **DLP INVESTMENT FAMILY**

DLP Capital is looking to impact the lives of 10 million Americans through our investment fund programs—and we’re well on our way, having impacted more than 800,000 lives so far. If you are new to our programs, consider joining our DLP Capital family through the unique investment opportunities we offer. You will be joining more than 2,400 existing DLP Capital families who hail from every state in the nation, many of whom contributed to the nearly \$500 million capital raised in 2022. We are better together—and we may be in an unprecedented era of opportunities for investing in affordable rental housing.

# THE DLP CAPITAL FOOTPRINT

Where We Do Business



DLP Capital executes its impact through a wide array of business divisions, including lending, investment funds, sales, leasing, property management, construction management, development, and loan servicing. Our locations are strategically located in areas in great need of help from

our mission of combating the workforce housing crisis. We will continue to grow in smart and measured ways, and while we cannot comment on specific areas of future growth, we always have our eyes set on areas where we can make an impact.



***"Allentown has been undergoing a renaissance of economic activity, with the vitality downtown attracting new businesses, residents, and visitors alike," said Don Wenner. "Dream Grand Plaza will be at the forefront, offering the epitome of modern apartment living in a very central location—and offering area workforces great options for a dynamic live-work environment."***





## POSITIVE RETURNS FOUNDATION

**DLP Capital is committed to making a difference in the lives of others worldwide.**

In 2019, Don Wenner founded the DLP Positive Returns Foundation, which focuses on positively impacting two epidemics: affordable housing and job creation. The Foundation gives back to communities by providing assistance, knowledge, and capital to fight against these epidemics. The Positive Returns

Foundation makes offering affordable housing to families possible and focuses on entrepreneurship as a method of job creation.

The DLP Capital team has been working to repair homes and restore hope for low-income homeowners and has provided over 100 interest-free loans to help homeowners cover repairs, housing, and living expenses.

## Our Updated Pledge

DLP Capital has updated its giving pledge for 2023. The updated pledge aims to bolster the impact of DLP's philanthropic initiatives by increasing both financial support and volunteer-led activities.

### **DLP Capital will donate:**

*\* These allocations are governed by internal DLP Capital policies and procedures and may be altered or amended at the sole discretion of DLP Capital.*

# 25%

**25%** of performance fees earned.

# 200%

**200%** of annual productivity per person (PPP)

# 100%

**100%** of the proceeds from the Elite Impact platform, which includes Don Wenner's books, *Building an Elite Organization* and *Building an Elite Career*.

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

To solve/eradicate homelessness, starting with St. Augustine, FL.



Dream. Live. Prosper.

# ALIGNMENT

'23



**This summer, DLP Capital celebrated Alignment Day, an entire day set aside for team members to re-align and reconnect with their leaders, direct reports, and coworkers to go over personal and professional goals.**

Through huddles, Alignment GPS (*Growth Progress Support*) sessions, and "Brain Dates," team members were encouraged to share knowledge, express challenges and successes, and learn from those in different departments or positions throughout the organization.

Days like Alignment Day allow our team to take a step away from their day-to-day responsibilities and prioritize connecting with one another while emphasizing each individual's goals and needs as they pursue their careers with DLP Capital. Combined with Living Fully Day and Vision Day, these events help us be our best selves so that we can maximize our strengths both personally and professionally.

## 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.

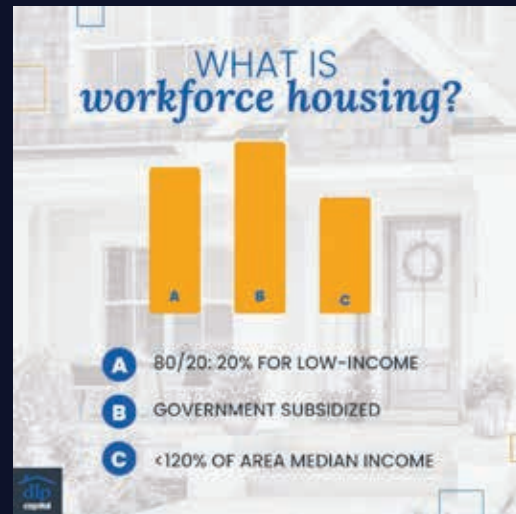
[dlpcapital.com/twenty](https://dlpcapital.com/twenty)

# INTRODUCING DLP CAPITAL'S NEW "IMPACT SERIES"

Bringing you breaking commentary on investing, markets, building thriving communities—and more.

DLP Capital has carved out a unique niche with our investment approach, the asset classes we target, and our endeavors to make an enduring, positive impact on America's workforce communities by filling an enormous void in attainable housing. With that in mind, we'd like to share with you—investors and prospective investors, sponsors/operators, and friends—relevant educational and topical commentary. We're calling this our "Impact Series," a great new informational resource to expand your knowledge, keep updated on market dynamics from a DLP Capital perspective, and learn about assets we consider of particular interest and investment opportunity.

To launch this series, we're answering a key question asked among rental-housing market participants across the country: What exactly is "workforce" housing?



Read on for the answer...

# WORKFORCE HOUSING – THE “MISSING MIDDLE” SECTOR



- DLP CAPITAL DEVELOPS SOLUTIONS TO INCREASE ATTAINABLE HOUSING OPTIONS FOR AMERICA’S WORKFORCES AS PART OF OUR MISSION TO ADDRESS THE HOUSING AFFORDABILITY CRISIS.

Attainable rental housing is also at the core of our investment funds, which provide consistent year-over-year returns. So exactly what is “workforce housing”? While there is no one definition, and some use the term loosely, we apply a rather rigorous approach to defining our “workforce housing” goals. What’s very clear is that when referring to developing, investing in, or financing workforce housing, we are speaking of attainable rental housing for America’s middle-income earners: the teachers, police officers, firefighters, health care workers, and service/retail professionals, among others who serve our communities, keep them

safe, and keep the gears of our local economies working smoothly.

## **“Affordable Housing” vs. Attainable Workforce Housing**

To understand workforce housing, it’s helpful to first understand the term “affordable housing.” While the phrase might simply imply housing that a family can afford, in fact the term “affordable housing” became synonymous over the decades with government-sponsored programs that offer subsidies to support low-income households. In the 1970s and 1980s, a number of federal housing programs were enacted to support initiatives for low-income affordable housing. These included:

- Tax credits for multifamily developers/owners who allocate portions of their apartment buildings to low-income residents (Low-Income Housing Tax Credits)



- Direct rent subsidies for qualifying low-income families
- Grants to help public housing residents develop skills for economic self-sufficiency and eventual homeownership

*The term “affordable housing” originates in reference to those types of federal programs noted above, which have generally been targeted toward households making 60% or less of the Area Median Income (AMI).*



### Area Median Income (AMI) Benchmarks

Attainable “workforce housing” refers to rental housing geared toward those making income near to the actual Area Median Income (AMI)—typically more than 80% of AMI in standard markets, up to about 120% of AMI in very cost-burdened markets. So if the AMI in Fort Worth, Texas is \$75,000 for a family of four, workforce housing would target those families with household incomes of \$60,000–\$90,000 (80%–120% of \$75,000). The AMI in specific regions is determined, in any given year, by the U.S. Department of Housing and Urban Development.

Over the years, of course, America’s middle-income workers have increasingly faced financial pressures when trying to find housing within their economic means. The housing bubble that burst in 2007–2009 exacerbated the issue, as new housing production ground to a halt. While the housing market has long

since recovered, new single-family and multifamily production has failed to keep pace with increased demand, driving prices up and out of reach for many middle-income households. By early 2023, single-family home prices had experienced 131 consecutive months of year-over-year increases, the longest on record—with homeownership becoming a distant dream for many Americans. Meanwhile, as many of the nation’s workforce families turned to apartment rentals instead, the National Multifamily Housing Council, in turn, predicted a need for 4.3 million more apartments in the U.S. by 2035. Demand, however, is far outpacing planned supply. Herein lies DLP Capital’s focus on developing, investing in, and financing workforce housing.

### Attainable Rents

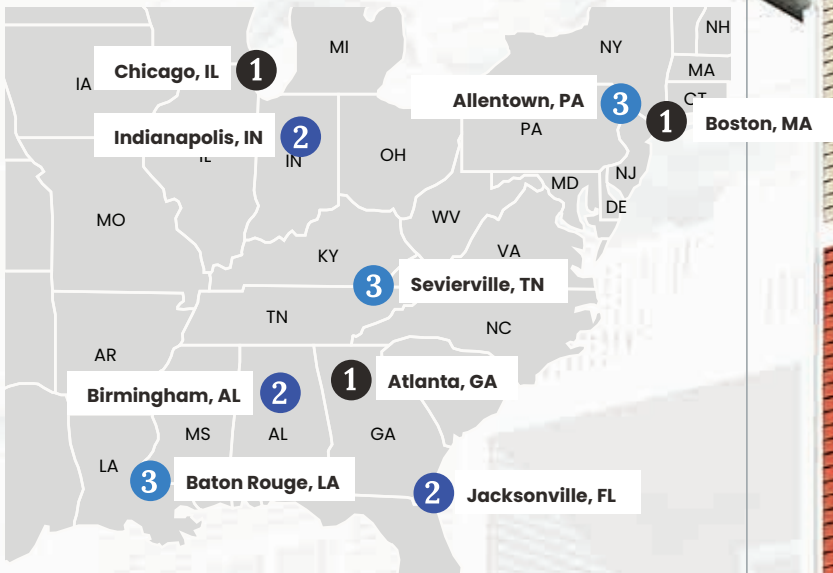
Having discussed above the Area Median Income target levels that pertain to workforce housing, DLP Capital’s goal is to offer properties with attainable rents for that target audience. That means that our workforce housing properties—the missing middle sector of housing—will typically offer rents that limit what a family spends on rent to no more than 30% of their income. If a family spends no more than 30% of their income on rent, it theoretically should leave adequate remaining income for essentials such as food, utilities, transportation, etc. That being said, there are always exceptions, and in some highly desirable markets, the 30% AMI goal may differ slightly. Some markets may also be under extraordinary supply/demand imbalances.

### DLP Capital Investment Opportunities

DLP Capital, as an opportunistic investor with a long track record investing in the workforce housing sector, seeks to fill the voids in underserved markets. We especially focus on tier 2 and tier 3 real estate markets, near and around mid-tier cities across the Sun Belt. These markets are often ignored by other investors, which exacerbates rental housing voids but provides tremendous opportunities and upside potential for DLP Capital investments. Tier 1 markets are the most competitive, expensive metro areas. Tier 2 markets include cities with solid



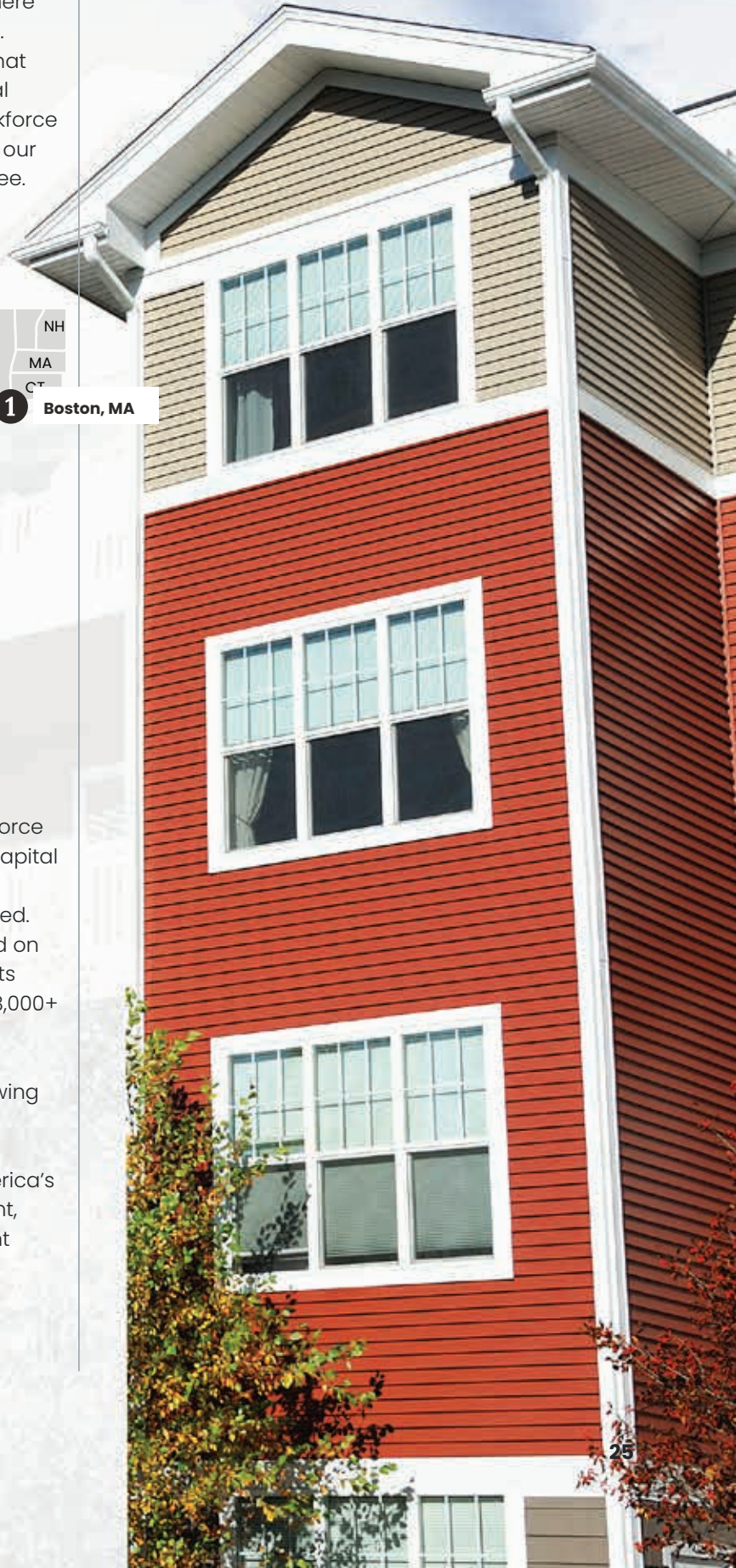
fundamentals that have not yet reached their full potential, such as Jacksonville, Florida, where there may be price elasticity and underpriced assets. Tier 3 may include smaller cities and suburbs that hold high potential for harnessing growth in real estate values. An example of a DLP Capital workforce housing investment in a tier 3 market would be our multifamily development in Sevierville, Tennessee. The city is home to Dollywood theme park and has millions of annual visitors, but there are minimal workforce housing options.



In short, there is skyrocketing demand for workforce housing that offers attainable rents—and DLP Capital has made it one of its missions to bring quality solutions to those workforce communities in need. Currently, among our investment funds focused on building thriving communities are developments and/or property revitalizations that will deliver 8,000+ rental housing units to workforce communities across America's thriving Sun Belt region and beyond. And, our investment portfolios are growing by the day.

To discover how you can invest in housing America's workforce communities while reaping consistent, superior returns, review DLP Capital's investment fund options at:

[dlpcapital.com/solutions/investment-funds](https://dlpcapital.com/solutions/investment-funds)





# DEVELOPMENT SPOTLIGHT

## From Apollo “Moonshots” to the Dream Apartments of Today



1960s



2023

It's the mid-1960s in Titusville, Florida, a boomtown of aerospace engineers and astronauts immersed in the Apollo space program. A few years earlier, President Kennedy had declared it a priority to send Americans to the moon “before this decade is out.” At the Imperial Towers Apartments, situated directly across the bay from the Apollo launches, Neil Armstrong was said to have been among those visiting the cocktail lounge from where you could watch test launches. To get to work on the Apollo launches, apartment residents were ferried across the bay to Kennedy Space Center.

Fast forward almost 60 years and DLP Capital—recognizing the importance of preserving this significant structure in the annals of history—has completed a full revitalization of the apartment towers, preserving the historic facades while totally rebuilding and updating the interiors to meet today's modern specifications. Gone is the cocktail lounge for watching “moon shots,” but nevertheless, from nearly every vantage point of the renewed towers, residents can today watch launches by SpaceX, NASA, Blue Origin, Lockheed Martin, and more.

The journey to rebuild these historic towers, now called **Dream Space Coast**, was not without challenges. But, DLP Capital will soon reap the benefits of its multifamily investment in an astrotech market that seems to be going nowhere but up.

### *DLP Capital's Journey of Discovery*

*“Our elegant 225-seat restaurant and intimate cocktail lounge are the ideal setting for finest gourmet cuisine, expertly-prepared cocktails and the most pleasant conversation,” read the vintage ad for Imperial Towers, which also boasted, “the latest in central air conditioning and heating.”*

DLP Capital first saw the upside potential of this multifamily community in late 2018, acquiring the two-tower 182-unit complex, though DLP Capital knew it would need to put complex development expertise to work as the tower structures had “stressors” in their utilities' infrastructure, i.e. plumbing, electric, etc.; the standards for apartment buildings in the emerging coastal towns of Florida in the '60s were not the same discriminating standards DLP Capital applies to all of its Building Communities



Fund assets in the 2000s. When the last of the existing tenant leases expired in late 2019, DLP Capital went to work.

### **Going the Extra Mile with Development Expertise**

*"We took the interior walls and ceilings off of every single unit in one tower," says Jim Boyce, President of DLP Capital Development and Construction. "We went the extra mile." The second tower needed less extensive rehabilitation, but still DLP Capital conducted a full overhaul of all of those apartments as well, in addition to conducting cosmetic upgrades throughout the multifamily complex.*

*Extensive though the interior rebuilding/renovations were, however, DLP Capital gave due respect to the admirable exterior structures—meant to withstand the test of time. "They're solid, nearly impenetrable cinder blocks from top to bottom," added Boyce. "They don't make them like that any more. . . . We knew that once we rebuilt the interiors, this would be a truly superior multifamily asset."*

### **National Register of Historic Places**

*"It is a pleasure to notify you that the National Park Service officially listed the above referenced property in the National Register of Historic Places on April 19, 2023. On behalf of [Florida's] Secretary of State and our historic preservation staff, I congratulate you on achieving this formal recognition of the historic significance of this property. We appreciate your interest in preserving this important element of Florida's cultural resources."*

Not only are the towers now beyond compare structurally, but the Dream Space Coast community is today arguably the finest multifamily complex in the entire astrotech market near Kennedy Space Center and the dozen or so major commercial space employers in the area. Following DLP Capital's \$22-million redevelopment, the complex is now also officially listed on the National Register of Historic Places.

The six-story, rebuilt multifamily towers at Dream Space Coast offer studios to two-bedroom apartments, both furnished and unfurnished, most with unobstructed views of space launches. Rents are generally priced under 30% of the local astrotech market's median income, the community's targeted renting demographic.

Amenities that continue the property's rich history going forward include riverfront bench seating for out-of-this-world viewing of launches. Along with smart features, the community features a riverfront pool and tranquility garden; waterfront workout classes and poolside yoga; and a resident center with billiards, poker tables, eCafe, and business center. In addition, there is a cardio fitness center and cycle and yoga/pilates studios; valet dry cleaning and Amazon package center; pet park; and a beachfront kayak launch is expected soon.

In addition to the Kennedy Space Center, across the bay is also Canaveral National Seashore including Playalinda Beach, which is home to more than 1,000 plant species, endangered and protected sea turtles, and 310 bird species. The 24-mile-long beach is the longest undeveloped beach on the east coast of Florida.

### **Upcoming Launches**

Upcoming launches that can be viewed by tower residents may include launches to the International Space Station (ISS), SpaceX Starlink satellite launches, and U.S. Space Force mission liftoffs from NASA's Kennedy Space Center, among others.





# THE DLP CAPITAL ACCELERATOR PROGRAM

**DLP Capital is excited to welcome our 2023 analyst class in a comprehensive program designed to enhance the professional skills, knowledge, and abilities of recent college graduates.**

The Program features a 24-month curriculum that blends intense professional education with real world experience in a rapidly growing organization. At the conclusion of the program, our Accelerators complete a Capstone Project that acts as a culminating and integrative experience that will test the confidence, self perception, and rigor of all participants.

DLP Capital conducts an extensive search to bring on the best and brightest into the organization. This year, our People Team attended more than 20 college career fairs, received over 700 resumes, and interviewed over 150 candidates to find our seven new Accelerators. These individuals bring with them glowing accolades from prestigious internships to postgraduate degrees from Ivy League schools. We are honored they chose DLP Capital as their next professional development opportunity.



***Please help us welcome our next class of DLP Accelerators!***



**Shangjie Wu**



**Remi Khamvongsa**



**Mindy Hu**



**Carter Karinshak**



**Mason Moses**



**Trey Sides**



**Jade Liu**



Make-A-Wish®

# TRAILBLAZE CHALLENGE

**This Spring, our DLP Capital leadership team embarked on an epic 28.3-mile hike, pushing limits and embodying the indomitable spirit of grit we embrace every day. It was an unforgettable adventure that truly exemplified our unwavering commitment to success.**

But this challenge was about more than just physical endurance. Our true mission was to raise vital funds to fulfill the wishes of critically-ill children. Together, our DLP Capital participants rallied and raised an incredible \$100,000 for Make-A-Wish. As a proud title sponsor of the Central & Western North Carolina hike, we were deeply honored to support such a worthy cause.

On average, three children are diagnosed with a critical illness every hour. Only about 50% of eligible kids have their wishes answered. This fundraiser helps grant more wishes and families happiness and relief.



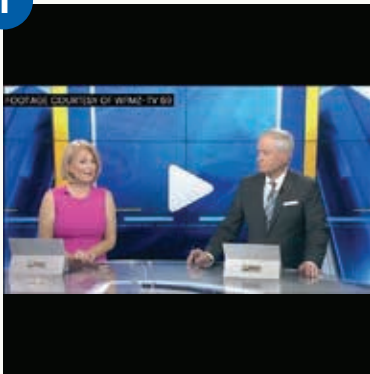


# SOCIAL MEDIA HAPPENINGS

**DLP Capital celebrated an increase in our fans, reaching 11,000 followers across our social media channels this past quarter. Join our growing community and stay updated on market dynamics and assets of opportunity. Follow us on LinkedIn, Facebook, Instagram, Twitter, and YouTube!**

Here's a look at our most popular recent posts:

1



2



## 1 Allentown's Channel 69 News on DLP Capital acquiring PPL plaza

*"Part of former PPL Plaza office building to be converted into more than 100 apartments . . . at a price people can afford." – Allentown's Channel 69 News*

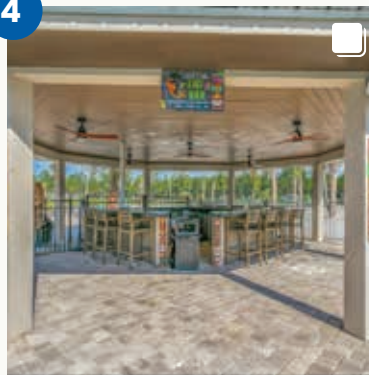
## 2 GlobeSt. names Don Wenner as one of Commercial Real Estate's 50 Under 40

*"The men and women we selected have what it takes ... intangible features such as integrity, an orientation to the community and, this year in particular, resiliency." – GlobeSt.*

3



4



## 3 Make-A-Wish Trailblaze Challenge

Forty DLP Capital team members embarked on a 28.3-mile hike to benefit the annual Make-A-Wish Trailblaze Challenge, raising funds to help grant the wishes of critically-ill children.

## 4 We're refining the RV experience with amenity-driven resorts

Located near Jacksonville, our Island Oaks RV Resort is a family-friendly resort with 385 RV sites and luxury amenities – a far cry from prior generations of barebone parks.

Follow us today.

@dlpcapital



# TEAM MEMBER SPOTLIGHT

## Jay Spearman

*Director of Lender Relationships and Debt Placement*



**In the intricate machinery that is DLP, every team member plays a crucial role. This quarter, we're thrilled to shine the spotlight on Jay Spearman, our Director of Lender Relationships and Debt Placement, who is a key figure in our operations.**

As the Director of Lender Relationships & Debt Placement, his role involves working closely with our Managing Director of Capital Markets, Raul Llanes. Together, they place project level debt/mortgages for DLP Capital and our Elite Members, ensuring the smooth running of our financial operations.

Born and raised in Ormond Beach, FL, he is a proud Florida native with interests ranging from surfing to fishing. Though he confesses he's no expert, the passion he brings to each endeavor is clear. Having recently moved back to Florida from Texas, he now delights in being near his family in Central Florida. He particularly enjoys teaching his six-year-old niece how to surf, passing on his love for the sport to the next generation.

Since his first day on the job, he has been impressed by our company culture. He lauds the kindness and readiness to assist exhibited by everyone on the team. It's this supportive environment that makes DLP Capital a great place to work.

Jay also treasures the daily collaboration and learning opportunities with his immediate team and appreciates the proactive approach towards productivity. This emphasizes the strong team dynamics at DLP, where every member brings something unique to the table.

When asked about his favorite core value, he chose 'Humble Confidence'. He trusts his instincts when making business decisions, treating every investment and relationship as if his own money were at stake. However, he also understands the importance of being receptive to feedback. He believes there's always room to learn and grow, demonstrating a perfect balance of confidence and humility.



# LEADING THE WAY IN COMMERCIAL REAL ESTATE

## Spotlight on Kip Sowden

Chairman & CEO of RREAF Holdings



In the world of commercial real estate, few names resonate as powerfully as Kip Sowden. As the Chairman and CEO of RREAF Holdings, Sowden has established a reputation for strategic vision, innovative leadership, and a deep understanding of the real estate market.

With an impressive career spanning over 37 years, Sowden boasts a rich background in real estate brokerage and mortgage banking, acquisition, and more. His journey began at The University of Texas at Austin, where he honed his skills and passion for the industry.

Sowden's leadership at RREAF Holdings has been instrumental in the company's growth and success. Under his guidance, the Dallas-based commercial real estate firm has flourished, navigating market trends and opportunities with a keen eye for potential.

Kip Sowden exemplifies what it means to be a leader in the commercial real estate industry. His impact is not just measured in successful deals and growing companies, but also in the knowledge and inspiration he imparts to those around him. As he continues to lead RREAF Holdings into the future, there's no doubt that his influence will continue to shape the industry for years to come.

#### **A Powerful Partnership: The Alliance Between RREAF Holdings and DLP Capital**

The relationship between RREAF Holdings and DLP Capital is a testament to the power of collaboration. This dynamic partnership, which began in 2015 with a joint apartment project in Hattiesburg, MS, has grown into a formidable alliance that spans over \$2 billion in asset value and more than 10,000 units. Since then, Kip and his team have become integrated as DLP Elite Members, with Kip also holding a seat within the 100X Group.

With teams strategically located in Texas and Florida, RREAF Holdings and DLP Capital have leveraged their geographic diversification to expand their reach and enhance their market presence. The two firms complement each other perfectly, focusing on residential and workforce housing sectors. Their shared mission and complementary strengths have enabled them to jointly navigate the real estate landscape effectively, delivering exceptional results for their investors.

With a shared mission to provide superior affordable housing opportunities, the two companies came together once more to present the HPX Portfolio. This project includes 10 value-add multifamily communities diversified across nine markets in seven states in the Sun Belt and Heartland regions. A project of this magnitude could only be achieved with the teamwork and combined efforts of DLP Capital and RREAF, and it is primed to positively impact thousands of lives in the United States.

This partnership represents a commitment to mutual growth, shared success, and the continual pursuit of excellence. Together, DLP Capital and RREAF Holdings are shaping the future of real estate investment.

---

*"We have experienced tremendous success in our partnership with DLP Capital, most notably, our Southeast Multifamily Portfolio III. DLP Capital has provided us with the resources we need, allowing RREAF Holdings to do what we know best: enhance the lives of our investors, partners, residents, and guests. There is no other partnership like ours. Our programs greatly complement each other, and quality, affordable housing in the South and Southeast is one of the best asset classes you can be in today."*

– Kip Sowden



# MARKET RECAP

Glancing back at this past quarter, we might very well be in a Dickens novel: *“It was the best of times, it was the worst of times . . . it was the spring of hope, it was the winter of despair.”*

**Multifamily markets nationally have been stagnant amid rising interest rates, slow rent growth—and a continued impasse between buyers and sellers. On one hand, multifamily sellers have been reluctant to lower their price objectives; on the other hand, buyers are discounting their own objectives given fears of a sour economic outlook. The National Multifamily Housing Council (NMHC) saw this clearly in its second quarter survey, which showed multifamily sales transaction volume falling for the fifth consecutive quarter. At the same time, NMHC recorded its eighth consecutive quarter of declining debt financing availability, with 67% of respondents saying conditions have worsened for multifamily financings.**

While that’s on the multifamily side, on the single-family side potential homebuyers faced a staggering median home price of \$410,200—and a lofty average interest cost of 7.29% nationally for a 20-year fixed-rate mortgage (*June 2023, Bankrate*). It’s no surprise, given the lack of affordability, that home sales declined by nearly 19%, year-over-year, for the quarter ending June 2023.



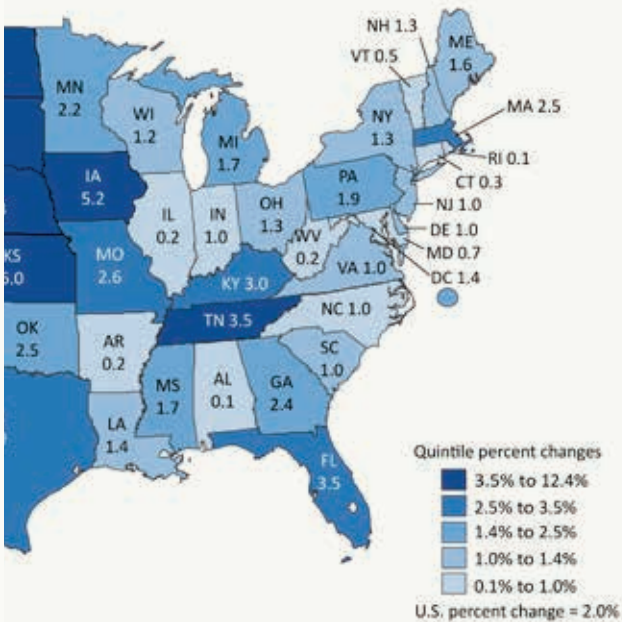
But on to the positive *“best of times.”* DLP Capital, as you likely know, focuses on the Sun Belt region for its multifamily investments and development—building thriving communities with attainably priced rental housing. We were, therefore, delighted to see our convictions, in terms of our regional focus, confirmed by statistics just out from the U.S. Bureau of Economic Analysis:



*Six of the fastest growing Sun Belt states now contribute more to the U.S. national GDP than the Northeast for the first time since data has been tracked.*

Florida, Texas, Georgia, North and South Carolina, and Tennessee are now outperforming the Washington-New York-Boston corridor. This is quite an astounding shift in regional economics, but not all that surprising to DLP Capital. We continue to see business formation in our geographic areas of focus along with positive demographic shifts. The Sun Belt continues to experience high in-migration, lower costs of living, business-friendly environments, and attractive employment opportunities. The superior weather in the Sun Belt doesn't hurt either.

Florida and Tennessee's GDPs increased by 3.5% in the most recent quarter of analysis, with Texas and Georgia not far behind at 3% and 2.4%, respectively. The financial capital of New York, for comparison, clocked in at only 1.3% GDP. As a national economic consultant told Bloomberg, *"You could throw a dart anywhere at a map of the South and hit somewhere booming."* DLP Capital has multifamily investments and/or developments in the pipeline in all six of the fastest-growing Sun Belt states, and we continue to expand into related investment categories such as RV resorts.



***"You could throw a dart anywhere at a map of the South and hit somewhere booming."***

So, while there have been reports this past quarter of distress looming among multifamily owners in select major metro areas, such as San Francisco where one borrower defaulted on a \$448-million loan, the Sun Belt continues on a different tract. Crowning the encouraging statistics was a much-anticipated annual ranking by CNBC of *"America's Top States for Business."* This was not an opinion poll but, rather, in-depth analysis based on 86 metrics in 10 broad categories of competitiveness.

North Carolina came out #1 for a second consecutive year due to its thriving economy, healthy housing market, and stable state finances. DLP Capital established a solid foothold in the state several years ago, with an office in Asheville. Tennessee ranked #3 (after Virginia), and there we have a 312-unit multifamily community under development in proximity to the Dollywood theme park. And in Georgia, which ranked #4, we added to our Peach-State portfolio, fine-tuning our master plan for an exciting new community just north of the Florida border that is expected to include 250+ multifamily units and 600+ RV sites.

In short, while many market multifamily participants were caught up in short-term flux this past quarter, we continued to seize opportunities for investment. We see strong multifamily fundamentals over the next three to five years in our region of focus, with household formation spurring demand—and the prospects for superior investment returns.

# INVESTMENT OUTLOOK

A National Apartment Association study in late 2022 predicted that Texas and Florida, the states with the highest increases in housing requirements, would need a combined 1.1 million additional apartment units through 2035.

**Nationally, the expectation is for 4.3 million needed overall by 2035. This will, of course, exacerbate the strain on existing inventory and heighten the need for expanded development. We have ramped up production in the Sun Belt states, where forthcoming demand is highest, with 8,000+ rental units in our development pipeline for delivery over the next three years.**

Some might say, however, that there exists a large supply-demand imbalance currently, with an overabundance of new units at a time when rent growth is decelerating. In fact, nationally, we have the largest multifamily pipeline since the early 1970s. The Sun Belt is not immune to this oversupply, despite renter demand and positive absorption. There were a record number of new permits for developments in 2022—prior to interest rates spiking—including in areas in which we operate, such as in key markets in Alabama, and in Jacksonville and St. Augustine, in North Florida. Most of those new units will come on-line in late 2023 into early 2024.

We expect this oversupply situation to be mitigated, however, as units are absorbed with continued population growth. The number of Jacksonville residents, for example, has nearly doubled in the past five years and is set to double again. As with other areas of the Sun Belt, we expect any oversupply of rental units to return to balance—and then some—by 2025, given steady absorption. We foresee an undersupply situation returning by 2025 and are primed to capitalize by offering attainable rental housing for area workforces, i.e. the teachers, police officers, firefighters, health care workers, and service/retail professionals, among others who serve our communities and keep the gears of our local economies working.

In serving this type of target market, DLP Capital will continue to focus on what we call the “*missing middle*” sector of housing—attainable rental housing geared toward those making incomes near to the Area Median Income (AMI). This means we seek to create housing solutions for those who make 80% of AMI in standard markets, up to





about 120% of AMI in very cost-burdened markets. So if the AMI in a city is \$75,000 for a family of four, our workforce housing would target those families with household incomes of \$60,000–\$90,000 (80%–120% of \$75,000). The AMI in specific regions is determined, in any given year, by the U.S. Department of Housing and Urban Development.

We typically aim to offer rents that limit what a family spends on rent to no more than 30% of their income, which theoretically should leave adequate remaining income for essentials such as food, utilities, transportation, etc. DLP Capital fills an enormous void in this regard. A June 2023 report from Freddie Mac showed that 61% of renters and 29% of homeowners spend more than 30% of their monthly income on housing. More distressing still is that 55% are concerned about making housing payments. Again, we will continue to offer attainably priced solutions.

In terms of our evergreen investment funds, we expect that over the next 24 months, DLP Capital's focus on the workforce-housing target market will continue to provide opportunities for steady but superior returns as demand for quality, attainably priced rental communities continues unabated.

At the same time, our lending fund will continue to fill the current void in financings for multifamily housing owners; FreddieMac's mortgage originations in the first quarter of 2023 were the lowest quarterly total since 2014, and many traditional lenders remain on the sidelines following the banking crisis earlier in the year. DLP Capital, however, remains capital flush. Given less competition, we are now in the enviable position of being able to be very selective in our financings and limit our leverage, yet we offer excellent value to strong sponsors. We expect to fund more than \$1.5 billion in acquisitions and ground-up developments this year.

For more on our investment funds, turn to page 36.

# DLP Capital 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 funds have these features:**

- All funds are evergreen—receiving ongoing funding throughout lifespan
- All funds invest in desperately needed workforce housing in U.S.
- All funds are targeted to provide above-market returns to investors
- All funds pay preferred returns before paying DLP Capital's management fee\*



## **DLP Investment Portal** (Investors, DLP Capital has a new DLPInvest portal – **Appfolio!**)

### **Benefits of the Appfolio Investor Portal:**

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

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

**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 Housing Fund, LLC

QUARTER 2, 2023

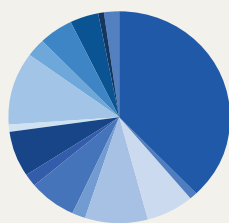
## OVERVIEW & FUTURE OUTLOOK

The DLP Housing Fund continues to focus on maximizing the performance of its assets by assessing property management performance and value-add opportunities. Although the Fund did not acquire additional investments during Q2, **the focus has been on increasing operating revenue and efficiencies for its current investments.**

DLP made a strategic investment in top talent, recently hiring a Senior Managing Director of Portfolio Management to further strengthen the team. With this addition, **the DLP Housing Fund is well-positioned to continue its success and growth to maximize returns to investors.**

## FUND CHARACTERISTICS

### Asset Locations



Alabama	7%
Arkansas	9%
Florida	2%
Georgia	7%
Indiana	2%
Kentucky	7%
Louisiana	1%
Mississippi	11%
North Carolina	3%
Oklahoma	5%
Pennsylvania	4%
South Carolina	1%
Tennessee	2%
Texas	38%
West Virginia	1%

## FUND DETAILS

Inception Date	01.01.2020
Capital Commitments	\$445,923,676
Target Annual Return	10-12%
Preferred Returns	6%
Year to Date Preferred Return (DRIP Program)	6.34%
2022 Full Year Return (DRIP Program)	12.97%
Return Since Inception (DRIP Program)	27.04%
Periods of Missed Preferred Return	Zero
Total Real Estate Value	\$2,187,290,000
Number of Communities	62
Number of Homes	14,642
Management Fee*	2%, Subordinate to Preferred Return
Performance Fees	80/20 Upon Achieving 6% Preferred Return
Redemption Notification	Annual Redemption
Management	DLP Housing Fund Manager, LLC
Unit Price Per Share	\$1,000
Call Structure	Optional for Investments > \$500,000

\* Management fee rebates of 0.5% for >\$1MM investment and 1% for >\$10MM investment (per account, per fund based on minimum annual investment balance - as of April 1st for the calendar year 2023; per calendar year thereafter)

## IMPACT NUMBERS

Number of Residents (*As of 6.30.23)	26,314
Affordable Rent Collected (*As of 6.30.23)	\$53,105,390
Estimated # of Lives Impacted (*As of 6.30.23)	43,926

# DLP Lending Fund, LLC

QUARTER 2, 2023

SINCE INCEPTION

# 12.71%

## OVERVIEW & FUTURE OUTLOOK

In June 2023, **the DLP Lending Fund exceeded its projection of distributing \$100 million of earnings to investors since inception, an amazing milestone.**

Fifteen loans originated during the month totaling approximately \$30 million. Since the beginning of the year, the Fund has closed 110 loans, totaling \$290.5 million across 26 borrowers.

**One of the loans the Fund closed in June, for \$26.7 million, is for the next phase of a development with one of DLP's Elite Impact Housing Members, just outside of Jacksonville, FL.** The development includes 742 residences, supplying much-needed workforce housing to the expanding local working population.

As anticipated, originations picked back up in June. **The DLP Lending Fund remains committed to serving top-notch sponsors and operators who focus on scaling their businesses and making an impact by providing affordable housing to working families.** Our delinquency rates have increased this past month, with most of the delinquency being from five borrowers. DLP is actively working on a resolution for each of these matters. By August, we expect three of the five to be current, and we anticipate paying off the remaining two in full.

## FUND DETAILS

Inception Date	10.22.2014
Fund Term	Evergreen
Fund AUM	\$839,405,326
Equity Commitments	\$411,241,926
Total Loans Under Management	\$995,169,247
LTV Average	52%
LTC Average	77%
Annualized Return Since Inception	12.71%
Target Return	9–10%
Preferred Return	8%
Periods of Missed Preferred Return	None
Management Fee*	2%, Subordinate to Preferred Return
Performance Fee	20%
Redemption Notification	90 days
Management	DLP Management Group, LLC

\* Management fee rebates of 0.5% for >\$1MM investment and 1% for >\$10MM investment (per account, per fund based on minimum annual investment balance - as of April 1st for the calendar year 2023; per calendar year thereafter)

## FUND HISTORY

	Current Month	Year to Date	Since Inception
Income	\$8,452,199	\$46,639,181	\$200,592,615
Costs	\$5,096,686	\$27,428,278	\$95,108,150
Distributions	\$3,355,513	\$19,210,903	\$105,484,465



## LOAN ORIGATION VOLUME

June 2023	\$29,489,541
June 2022	\$82,784,854
June 2021	\$46,499,429
2023 YTD	\$290,516,906
2022 YTD	\$394,943,213
2021 YTD	\$213,991,888

## TYPICAL BORROWER

Average Number of Loans Per Borrower	3
Average Credit Score	724
# of Projects Completed	45
Average Liquidity	\$1,514,970

## LOAN PERFORMANCE (based on current loan amount)

Current	94.83%
31-90 Days Delinquent	3.99%
91+ Days Delinquent	1.18%

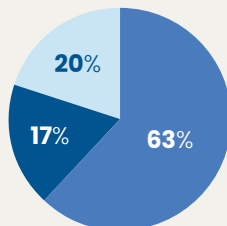
\*One additional borrower was 30+ days delinquent, who was brought current soon into the month of July

## LOCATIONS

Midwest	5%
Northeast	10%
Southeast	56%
Southwest	27%
West	2%

## ASSET TYPE BY PERCENTAGE

<b>Community Loans</b>	<b>63%</b>
Multifamily Existing	34%
Multifamily New Community	8%
Single-family New Community	7%
Manufactured Housing & RV Existing	4%
Manufactured Housing & RV New Development	10%
<b>Single-Family Scattered</b>	<b>17%</b>
Single-family Existing	5%
Single-family New Construction	8%
Multi-Property – Existing	3%
Multi-Property – New Construction	1%
<b>Land and Commercial</b>	<b>20%</b>
Commercial	14%
Land	6%



## TOP 5 STATES

FL	33%
TX	26%
PA	8%
GA	6%
LA	5%

## MONTHLY GROWTH

Loans Under Management	(\$3,109,802)
Assets Under Management	\$62,821
Capital Under Management	\$9,188,045

## RETURN PERFORMANCE

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Annualized
2023	10.05%	10.25%	10.14%	10.01%	10.05%	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%
2018	12.57%	13.72%	12.43%	13.62%	12.46%	13.39%	12.45%	12.38%	12.48%	12.49%	12.56%	12.75%	12.76%

# DLP Preferred Credit Fund, LLC

SINCE INCEPTION

10.52%

QUARTER 2, 2023

## OVERVIEW & FUTURE OUTLOOK

Second quarter 2023, **DLP's Preferred Credit Fund (PCF) closed a first-position loan for a joint venture, Tidal Creek Development.** The loan proceeds were used to acquire the second of four land parcels that will be developed into a 31-unit single-family residential community on St. Simons Island, GA. The joint venture will leverage a low-cost basis, strong local market, and a successful track record, to create much-needed housing for a high-demand market.

During the quarter, the fund generated a return of 10.20% compared to its targeted return of 10.00%. **Additionally, PCF closed the quarter with \$698,772 in net income.** Looking toward the second half of 2023, management will continue to seek opportunities to deploy additional investor capital into both loans and equity transactions per the fund's mandate.

## FUND DETAILS

Inception Date	10.01.2021
Fund Term	Evergreen
Fund AUM	\$33,731,088
Equity Commitments	\$31,421,113
Average Return Since Inception	10.52%
Target Return	10-11%
Preferred Return	9%
Periods of Missed Preferred Returns	0 Months
Management Fee*	2%, Subordinate to Preferred Return
Performance Fee	20%
Redemption Notification	90 days
Management	DLP Preferred Credit Fund Manager, LLC

\* Management fee rebates of 0.5% for >\$1MM investment and 1% for >\$10MM investment (per account, per fund based on minimum annual investment balance - as of April 1st for the calendar year 2023; per calendar year thereafter)



### LOAN ORIGATION VOLUME

Q2 2023		\$165,000
Q2 2022		\$12,500,000
2023 YTD		\$165,000
2022 YTD		\$17,350,000

### PORTFOLIO SNAPSHOT

Total Value of Underlying Real Estate	\$248,870,900
Total Volume of Fund Investments	\$22,636,918
Average Fund Investment	\$3,772,820
Average Borrower Subordinate Equity	\$9,365,052

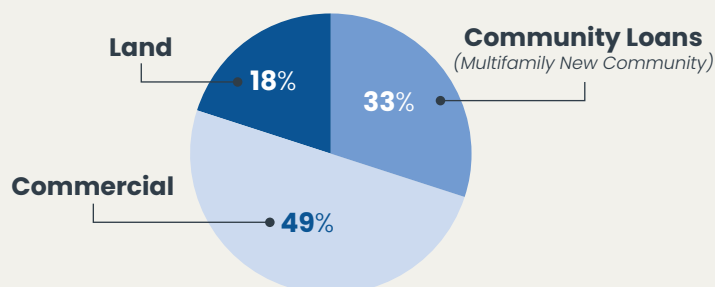
### ASSET OVERVIEW

Asset Type	City	State	# of Homes	Stabilized Value	Fund Investment Amount	Subordinate Equity
Land – Single-family	St. Simons Island	GA	2	\$550,000	\$412,500*	\$137,500
Commercial	Surfside Beach	SC	70	\$42,111,386	\$4,127,017	\$8,492,087
Commercial	Fort Pierce	FL	133	\$16,909,514	\$1,967,401	\$4,046,379
Land–Multifamily	St. Augustine	FL	1	\$64,200,000	\$3,630,000*	\$570,000
Commercial	Fernandina Beach	FL	225	\$22,000,000	\$5,000,000	\$6,536,742
Multifamily – New Community	Kissimmee	FL	304	\$103,100,000	\$7,500,000	\$18,385,000

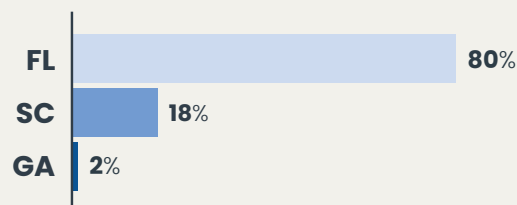
### RETURN PERFORMANCE

Year	Q1	Q2	Q3	Q4	Annualized
2023	10.16%	10.20%			10.18%
2022	10.22%	10.74%	11.23%	10.73%	10.80%
2021	Fund wasn't open Q1–Q3 of 2021			10.04%	10.04%

### ASSET TYPE BY PERCENTAGE



### TOP 3 STATES



# DLP Building Communities Fund, LLC

QUARTER 2, 2023

## OVERVIEW & FUTURE OUTLOOK

During the second quarter, **DLP Building Communities Fund** continues to expand capital with an increase of \$14.8M this quarter.

The fund added **a new investment to its pipeline**, a 240-unit multifamily project located in Spartanburg, SC, representing over \$56.6M in planned development. **The fund also invested an additional \$9.4M in ongoing development projects.**

As we progress through 2023, management is continually seeking opportunities to deploy capital in projects that meet the fund's investment objectives as well ensuring current projects stay on course to maximum returns to investors.

## FUND DETAILS

<b>Inception Date</b>	10.01.2021
<b>Investor Capital</b>	\$77,903,966
<b>Target Return</b>	11-13%
<b>Preferred Returns</b>	8%
<b>Periods of Missed Preferred Returns</b>	Zero
<b>Management Fee*</b>	2%, Subordinate to Preferred Return
<b>Management Performance Fee</b>	80/20 Upon Achieving 8% Preferred Return
<b>Redemption Notification</b>	Annual Redemption
<b>Management</b>	DLP BCF Manager, LLC
<b>Unit Price per Share</b>	\$1,000
<b>Call Structure</b>	Optional for Investments > \$500,000

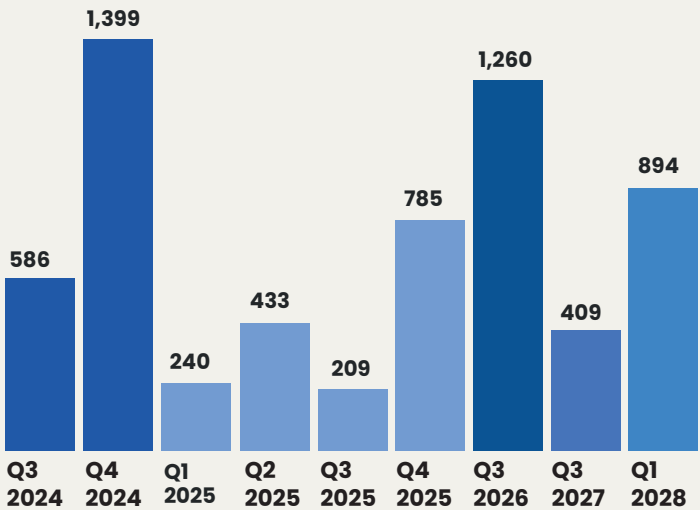
\* Management fee rebates of 0.5% for >\$1MM investment and 1% for >\$10MM investment (per account, per fund based on minimum annual investment balance - as of April 1st for the calendar year 2023; per calendar year thereafter)

## IMPACT NUMBERS

<b>Number of Future Residents &amp; Lives Impacted</b>	31,023
<b>Number of Jobs</b> (Development & Construction)	9,186
<b>Number of Jobs</b> (Long Term)	217
<b>Total Development &amp; Construction Budget</b> (Estimated \$)	\$1,780,028,203
<b>Total Number of Future Units</b>	10,341



PROJECT UNIT DELIVERIES BY QUARTER



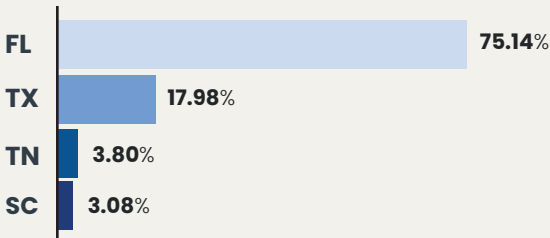
CURRENT IN DEVELOPMENT

4,894

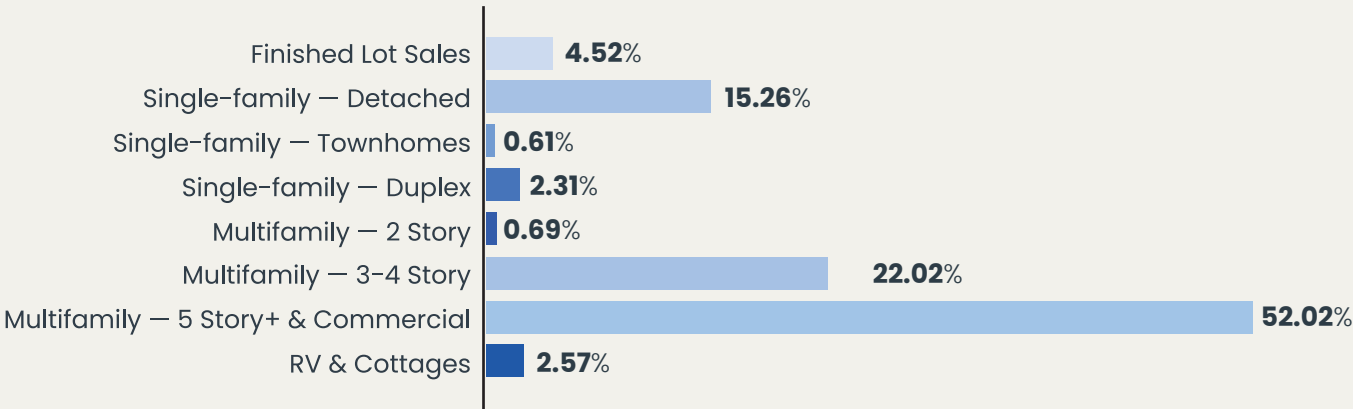
CURRENT IN PRE-DEVELOPMENT

6,030

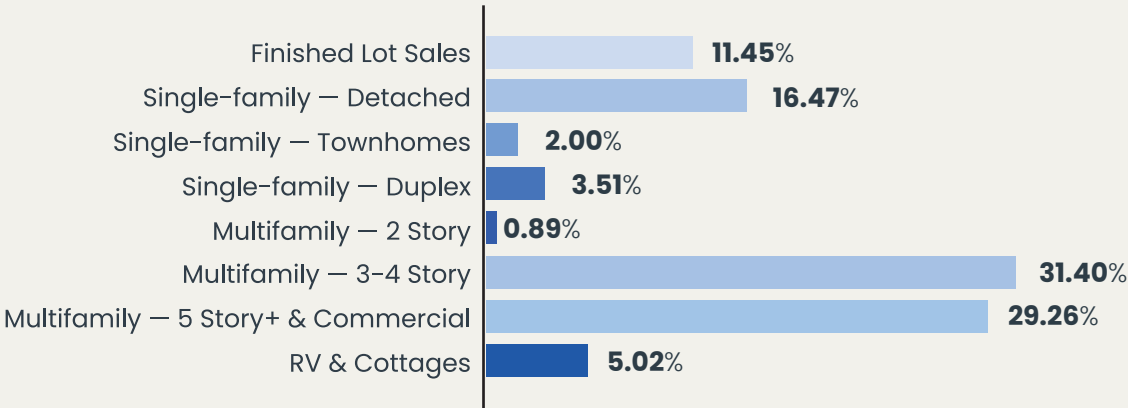
TOP STATES



COMMUNITY TYPES (% PER DEVELOPMENT BUDGET)



COMMUNITY TYPES (% OF EXPENDITURES AS OF QUARTER END)



**DLP CAPITAL Building Communities Fund, LLC | Continued****Dream Winter Haven** – Winterhaven, FL

The horizontal and sitework at Dream Winter Haven began in November 2022. The project will include 280 multifamily apartment units across 17 buildings. The apartments will be divided into 1-bedroom, 2-bedroom, and 3-bedroom units, with a total of 280 units: 120 x 1-bedroom, 148 x 2-bedroom, and 12 x 3-bedroom units.

Every aspect of the construction will adhere to class A quality standards, ensuring that the finished product is nothing short of exceptional. The project timeline estimates that vertical construction will span 18 months, with completion targeted for December 2024.

**DLP World Golf** – St. Augustine, FL

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.

The project is poised for action, with a shovel-ready status and construction set to kick off in September 2023. The lease-up date is targeted for August 2024, ensuring that future residents can soon relish in the community's modern amenities. At the heart of the development lies a state-of-the-art clubhouse, complete with top-notch fitness equipment and a resort-style pool. These unparalleled features make Dream World Golf a truly exceptional place to call home.

**Dream Marine Creek** – Fort Worth, TX

Dream Marine Creek is a sprawling garden-style multifamily project that encompasses three distinct phases and boasts a total of 638 residential units. Phase 1 of the project is situated on the southeast corner of Marine Creek Reservoir and comprises a 225-unit apartment complex.

Phases 2 and 3, which feature a thoughtfully designed 3-4 story layout, will bring an additional 314 apartment units to the development. The entire project spans an expansive 40.20-acre parcel of land, conveniently located less than 10 miles from the iconic Fort Worth Stockyards.





## Dream Spartanburg – Spartanburg, SC

Dream Spartanburg is a 12.19 acre land parcel located near many major retailers. The site is located off of I-26, allowing residents easy access to all of Spartanburg.

The project will be completed in one phase. Horizontal construction is projected to start in October 2023 with substantial completion occurring in July 2025.

The final community will offer 240 units, including 1, 2 and 3-bedroom units, averaging 923 RSF.

## Dream Sevierville – Sevierville, TN

Dream Sevierville is a 312-unit garden-style multifamily development consisting of 176 1-bedroom/1-bathroom units, 112 2-bedroom/2-bathroom units and 24, 3-bedroom/2-bathroom units, averaging 810 square feet across all units. The property is located on 17.9 acres in Sevierville, TN.

Construction is expected to begin in August 2023, with lease-up starting in February 2025. The property is planned to feature a 5,784-square-foot clubhouse and eight residential buildings with all units constructed to Class A Standards.



## Dream St. Johns Cottages – St. Augustine, FL

Dream St. Johns Cottages is a planned upscale single-family rental community located on an 18.90-acre property on St. Johns Avenue in St. Augustine, FL. The development will feature 194 units, including 1, 2, and 3-bedroom units, averaging 867 square feet.

Top-tier amenities such as a 3,159-square-foot clubhouse, swimming pool, exercise path, pond, and patio area are planned to be included. Site work began in December 2022, and lease-up is anticipated to begin in March 2024.





## Investment Funds Comparison

FUND/INVESTMENT	DLP BUILDING COMMUNITIES FUND	DLP HOUSING FUND (REIT)	DLP PREFERRED CREDIT FUND (REIT)	DLP LENDING FUND (REIT)
<b>Fund Type</b>	Real Estate Preferred Equity Fund	Real Estate Equity Fund	Preferred Real Estate Credit Fund	Senior Secured Mortgage Pool Fund
<b>Fund Investments</b>	Primarily equity investments into the development and construction of new rental communities including single family, multifamily, mobile home and camp communities.	Primarily equity investments into existing single-family and multifamily communities, mobile home and camp communities, and self-storage	Loan and preferred equity investment backed by real estate first position, subordinate, mezz, note-on-note finance, and preferred equity, primarily workforce housing assets	Senior mortgages, primarily workforce housing assets
<b>Direct/Indirect Security</b>	Equity Ownership in Real Estate	Equity Ownership in Real Estate	Notes Secured by Equity Pledges, Mortgages and Personal Guaranties	1st Position Mortgages backed by Real Estate along w/ Personal Guaranties
<b>Fund Term</b>	Evergreen	Evergreen	Evergreen	Evergreen
<b>REIT</b>	No	Yes	Yes	Yes
<b>QBI (199A) Deduction Eligible</b>	Partial	Yes***	Yes***	Yes***
<b>Distribution Frequency</b>	Quarterly (Pref); Annually (EDC)	Monthly (Pref); Annually (EDC)	All Distributions Paid Monthly	All Distributions Paid Monthly
<b>Reporting Frequency</b>	Quarterly	Quarterly	Quarterly	Monthly
<b>Preferred Return</b>	8%	6%	9%	8%
<b>Targeted Annual Net Return to Investors</b>	11-13%	10-12%	10-11%	9-10%
<b>2022 Annualized Distributions to Investors</b>	13.11%	12.97%	10.80%	11.28%
<b>Management Fee (Subordinate to Pref)</b>	2.0%**	2.0%	2.0%	2.0%
<b>Annual Investment Rebate For Investments of \$1MM+ per account per fund</b>	0.50%	0.50%	0.50%	0.50%
<b>Annual Investment Rebate For Investments of \$10MM+ per account per fund</b>	1.0%	1.0%	1.0%	1.0%
<b>Return Split</b>	80/20 upon achieving preferred return	80/20 upon achieving preferred return	80/20 upon achieving preferred return	80/20 upon achieving preferred return
<b>Redemptions</b>	Annual Redemption	Annual Redemption	90 Day Notice	90 Day Notice
<b>Benefits of Leverage</b>	Yes	Yes	Yes	Yes
<b>Tax Shelter through Depreciation</b>	No	Yes	No	No
<b>IRA Investment Option</b>	Yes	Yes	Yes	Yes
<b>Minimum Investment</b>	\$200,000	\$200,000	\$200,000	\$200,000
<b>Target Fund Size</b>	\$1,000,000,000	\$2,000,000,000	\$1,000,000,000	\$2,000,000,000
<b>Tax Reporting Method</b>	K-1	K-1	1099-DIV	1099-DIV
<b>Immediate Deployment of Funds (Y/N)</b>	Yes	No (20-60 days on average)	Fund by 25th, Deployed by 1st	No (15-45 days on average)
<b>Inception Date</b>	October 2021	January 2020	October 2021	October 2014
<i>DLP Investment Funds are for Accredited Investors</i>	<i>*As of December 31, 2022 **management fee is paid monthly, but subject to claw back</i>	<i>***Not subject to phase out</i>		<i>This document is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any interests in the Funds or any other securities.</i>



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**NOTES**

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Dream. Live. Prosper.





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