

DREAM. LIVE. PROSPER.  
WINTER 2023



# *Quarterly* **IMPACT REPORT**



*Great achievement is usually  
born of great sacrifice, and is  
never the result of selfishness.*

— Napoleon Hill

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# THE DLP CAPITAL STORY

## History, Facts, and 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, manufactured housing, and outdoor hospitality and RV campgrounds. 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 centered around building thriving communities.

## Our current impact numbers

**\$487M+**

Revenue in 2023

**2,900+**

Current Investors

**\$2B+**

Deals Funded in 2023

**\$394,405**

Productivity Per Person

**85,000**

Residents in our Thriving Communities

**\$1.5B+**

Development and Construction Pipeline

**11,047**

Jobs Created through Housing that we are Building

**11 YEARS**

In a Row, Inc. 5000 Fastest Growing Companies

**\$5.25B**

Assets Under Management\*

**\$1.25B**

Equity Under Management (EUM)

\*AUM is the value of the assets DLP Capital manages which includes real estate and real estate-backed loans



# FUND RETURNS

Quarter 4

**11.03%**

**DLP PREFERRED  
CREDIT FUND**

*Compounded DRIP IRR  
Since Inception as of  
12/31/2023*

**13.31%**

**DLP LENDING FUND**

*Compounded DRIP IRR  
Since Inception as of  
12/31/2023*

**25.98%**

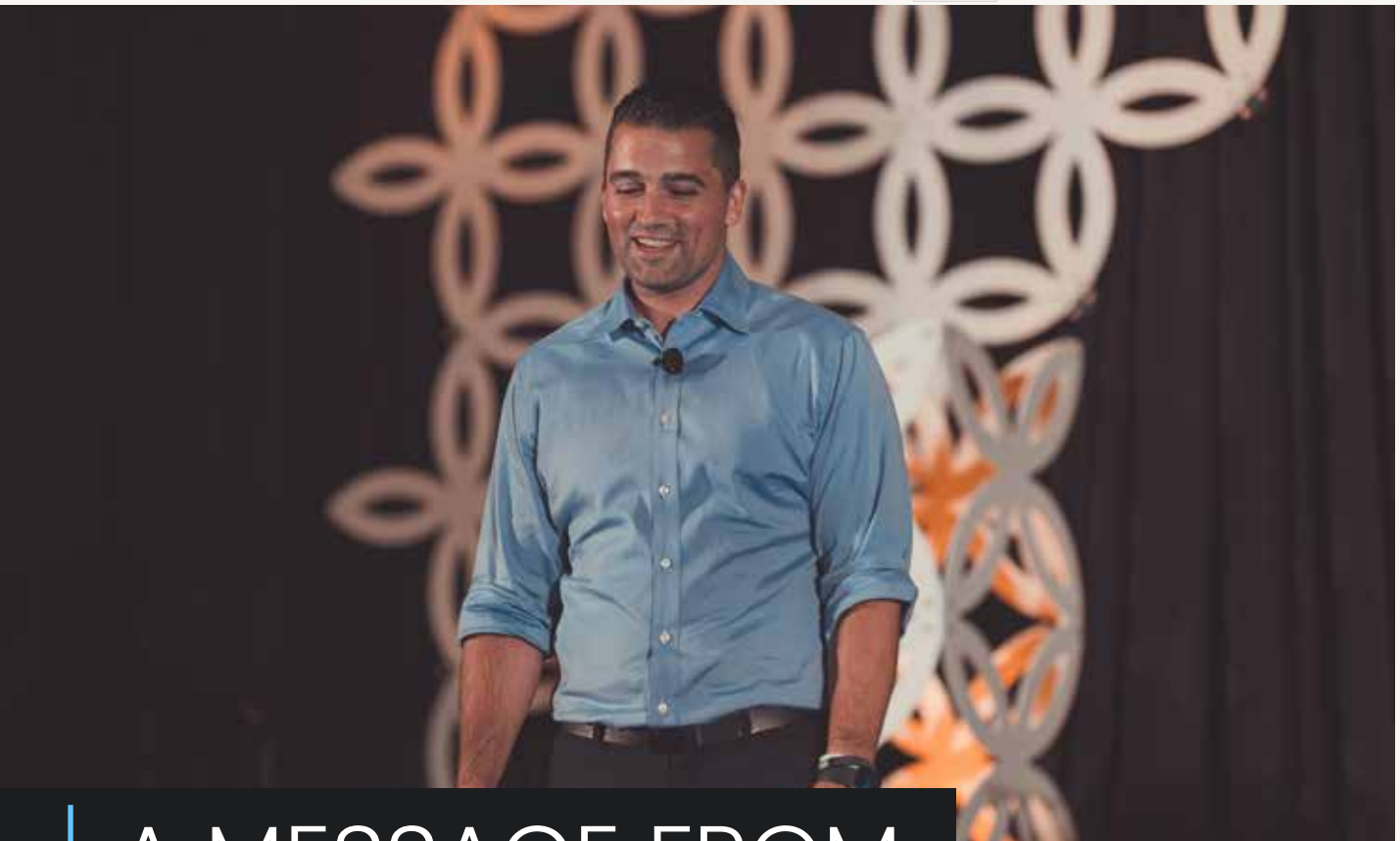
**DLP HOUSING FUND**

*Compounded DRIP IRR Since  
Inception as of 12/31/2023  
(excludes NAV unit shares  
not yet issued)*

**12.28%**

**DLP BUILDING  
COMMUNITIES FUND**

*Compounded DRIP  
IRR Since Inception  
as of 12/31/2023*



# A MESSAGE FROM DON WENNER

**Founder  
& CEO**

**Reflecting on the triumphs of 2023, I'm filled with pride for our DLP Capital team's accomplishments. From forging new alliances to increasing our market footprint, expanding our service offerings, and reaching an unprecedented number of investors, the past year stands as a testament to our collective dedication and tenacity.**

I am thrilled to share updates on our purpose, mission, and BHAG in this report. With these refinements to our compass, our team members can confidently navigate toward our goals for 2024.

I am also delighted to unveil our theme for 2024: "We Are For You." This theme encapsulates our commitment to serving our clients and standing by them every step of the way. It emphasizes our proactive approach to anticipating their future needs, planning accordingly, and ensuring that we are always ahead of the curve in providing solutions that will create lasting value.

"We Are For You" is more than just a forward-looking statement – it's a promise that we make today, looking toward the future. It implies making judicious decisions about resource utilization today so that our actions do not compromise the well-being of our investors, stakeholders, and team members.

I trust you will find our Winter 2023 Seasonal Report insightful and take note of our team's remarkable achievements over the past year. As we step into 2024, there is much to anticipate, and I eagerly await the further accomplishments that lie ahead.

Thank you for your continued support.

Sincerely,  
**Don Wenner**  
**CEO and founder, DLP Capital**



# MEET DON WENNER

Father, Husband, CEO, & Author



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

Inc. 5000 **11 straight years**

**13+ Years** of marriage

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*)



# VISION DAY 2024



**Vision Day is arguably the most pivotal day for the DLP Capital team each year. Held in mid-December, Don, alongside DLP's senior leadership team, imparted to team members our many successes from 2023 and the goals for 2024.**

With clear goals in mind, the team was also introduced to DLP Capital's updated compass for BHAG, core values, and flywheel which all got a facelift as we turn our focus to building thriving communities. We're so excited to share these updates with you and work with you to make these goals a reality!

- **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, funding the building of 5,000 thriving communities while becoming one of the 100 largest private companies in America.



## 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 living fully 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.

## 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

## *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.

## *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.

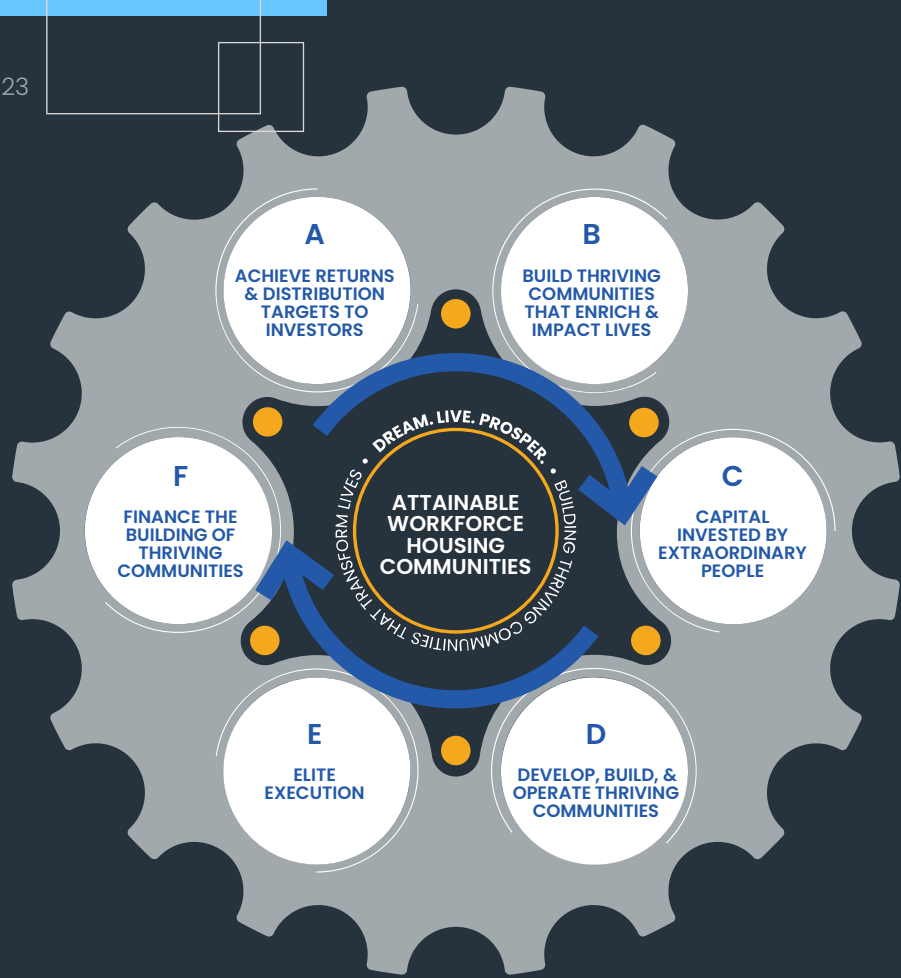
## Stewardship

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

## *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?"





## Our Flywheel

We also amended and added to our dynamic flywheel to truly demonstrate that everything we do revolves around making impact investments in **attainable workforce housing communities**. We are committed to keeping the cost of rent to **a maximum of 30%** of the area median income, though **we aim for less than 25%**.

### A. ACHIEVE RETURN & DISTRIBUTION TARGETS TO INVESTORS THROUGH IMPACT INVESTING

in attainable workforce housing. We prioritize proactive and transparent internal and external communication with all stakeholders, whether the news is good or bad.

### B. BUILD THRIVING COMMUNITIES THAT ENRICH & IMPACT LIVES

Housing is the foundation of thriving communities, but it's not the full picture. There are seven additional elements of thriving communities: access to banking, companies that are creating jobs, deep connections, educational resources, family, God, and healthcare. We are focused on impacting the lives of our stakeholders (team members, sponsors, investors, and residents) in addition to the broader communities we live, work, and invest in.

### C. CAPITAL INVESTED BY EXTRAORDINARY PEOPLE

Our community of accredited investors, primarily faith-centered wealth creators, invest into our evergreen private real estate funds, helping to fund the impact we seek to make on communities. Our funds offer investors reliable, consistent returns and distributions, helping them to do well while doing good.

### D. DEVELOP, BUILD, AND OPERATE THRIVING COMMUNITIES THAT HOUSE & SERVE AMERICA'S WORKING FAMILIES

DLP Capital concepts that support thriving communities include Dream Communities, Dream Outdoor Resorts, and LivingFully Connected Cottage Communities. All of these focus on stabilized yield-to-cost, i.e. our basis, of 7.5%+ stabilized yield minimum.

### E. ELITE EXECUTION

We build elite organizations centered around investing in housing that is and will remain affordable for working families. These organizations are elite because of our relentless focus on driving extraordinary execution and investing in people and culture. We leverage the **Elite Execution System** to drive disciplined **Twenty Mile March** execution.

### F. FINANCE THE BUILDING OF THRIVING COMMUNITIES

We lend to and partner with elite sponsors. Elite sponsors are experienced housing developers, builders, and operators with proven track records and a demonstrated commitment to building thriving communities centered around housing that is attainable for working families. We are selective about the markets we invest in, focusing on markets where we see strong demand and fundamentals and where we have deep experience, expertise, and relationships. Our top areas of focus are Florida, Georgia, North Carolina, South Carolina, Tennessee, Texas, and Pennsylvania.



# GRANTING DREAMS *through* Dream On



## Granting Wishes through the DLP Dream On Program

What makes Vision Day extra special is being given the opportunity to grant Dream Ons for many team members and their families. We granted 16 dreams ranging from providing six months of mortgage payments to helping a team member and her family with adoption expenses. Being able to give back to those who make such an impact on our organization and communities is truly a highlight of the day.

You can experience our Vision Day by watching the video on The Twenty.

[DLPCAPITAL.COM/TWENTY](https://dlpcapital.com/twenty)

# 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 helps us achieve these goals and positions us for sustained success in years ahead by developing future organizational leaders.



**DON WENNER**  
CEO & Founder



**ROBERT PETERSON**  
Chief Financial Officer



**JIM BOYCE**  
President, Development & Construction



**PAM LINDEN**  
Chief Legal Officer



**BARRY DEGROOT**  
General Counsel, Partner



**TOM HALLOCK**  
Chief Lending Officer



**ROBERT PRESTON**  
President, Dream Outdoor Resorts



**BO PARFET**  
Managing Principal



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



**GARRET ASKEW**  
Managing Director, Construction



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



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



**LOU DAVIS**  
Senior Director of Investments



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



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



**HARRY GUNSALLUS**  
Information Officer







### Meet Robert Preston

President of Dream Outdoor Resorts

Robert, co-founder and CEO of Climb Capital, now serves as President of Dream Outdoor Resorts, DLP Capital's outdoor hospitality resort division—a trailblazing hospitality platform that is a combination of luxury RV resort, hotel, campgrounds, nature/state park amenities, and more. Robert's expertise lies in identifying and acquiring value-add properties that yield returns throughout the investment lifecycles, including RV resorts as well as multifamily and single-family housing. He has successfully overseen the complex investment and disposition of a dozen commercial properties. Robert also brings to the equation 15 years of honorable service in the Marine Corps, where he was an MV-22 Osprey pilot and Naval Flight Instructor, his deployments including supporting special operations insertions/ extractions and surviving dust storm crashes.



# WHAT IS A "THRIVING COMMUNITY"

*and Our Impact Mission*

DLP Capital's BHAG (Big Hairy Audacious Goal) is to provide housing to **1 million people**, positively impacting and transforming **10 million lives**. This mission isn't just about addressing the growing need for attainable housing—it's about addressing this void with thriving communities, ones that are so much more than just affordable. What is a thriving community? **A thriving community is a place where people are LivingFully, have meaning to their lives, are pursuing goals, have opportunities for prosperity, and have deep relationships and connections.**

Creating thriving communities allows us to execute on our Impact Mandate and march towards our ambitious BHAG. Our thriving communities enrich the lives of those who live in them, offering more than just a safe, clean, and affordable place to call home. We create 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 raising their families and building lifelong friendships with their neighbors.



We believe a thriving community starts with safe attainable housing, but that is just the starting point. The eight elements of a thriving community are:



### ATTAINABLE HOUSING

This means offering rents below 30% of the area median income, reducing the burden of the high cost of housing and the sacrifices that requires to the basics of wellness, education, and transportation in addition to leisure.



### BANKING, LENDING & INVESTMENTS

People in thriving communities have access to financial literacy, real community banking, loans, and the opportunity to invest in profitable opportunities that produce solid returns and distributions that support people's lifestyles.



### COMPANIES THAT CREATE JOBS

Thriving communities, simply put, have jobs available that support the residents within the community. Job creation is primarily the product of entrepreneurial small businesses.



### DEEP CONNECTION

A thriving community has people who are happy and fulfilled. This comes from a deep connection with other people—family, friends, and neighbors, in addition to a deep connection with the Lord.



### EDUCATION

Education, especially education that provides skills that society values, is critical for a thriving community. One of the baselines of education is 3rd grade literacy levels.



### FAMILY

A thriving community caters to & provides opportunities to deepen relationships within families. Thriving communities have people building extraordinary families, lives, careers, and legacies.



### GOD, CHURCH & MINISTRY

God is present and belief in God is high in all thriving communities. People know the Lord in thriving communities. This presence and these relationships are deepened through church, bible study, and ministry.



### HEALTHCARE & NUTRITION

People are physically and mentally fit in thriving communities. This requires access to health care, wellness, and nutritional food, in addition to access to education around wellness & health.

# 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 LivingFully. 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 LivingFully, 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.*

**America's housing affordability crisis persists despite changing market conditions. With rising interest and mortgage rates and stagnant wage growth, America's workforce is struggling to find affordable housing that fits their needs and budget. In fact, a recent Pew Research article revealed that "the average U.S. rent has risen 18% over the last five years." Additionally, according to the same article, the current housing inventory remains low as home prices surge.**

This leaves lower-income households with a difficult decision: pay more than they can afford for a starter home and face longer commutes and financial strain, or pay higher rent for one of the limited rental options. This situation adds stress and anxiety and hinders work productivity, contributing to a nationwide "happiness crisis."

That's where DLP comes in. We are dedicated to providing, preserving, creating, and managing attainable housing communities that are within reach for working families. As operators, equity partners, and lenders, we oversee investments in communities across America, handling everything from management and leasing to sourcing, selling, and servicing. Our goal is to help families achieve greater happiness and sustainability. We also prioritize our responsibility to our investors, using our Elite Execution System and exclusive membership platforms to assist them in choosing, creating, growing, and preserving prosperity for themselves and future generations. We invite our investors to join us on this journey and witness the rewards that come with creating an endless cycle of prosperity and growth in the world.

**Source:** Pew Research Center, "Key facts about housing affordability in the U.S."

# 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.

Our track record is a testament to our skills and diligence in identifying and managing exceptional opportunities. 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 developing, acquiring, improving, and managing rentals, primarily attainable 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 acquire and improve attainable rental housing, 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 attainable 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, Social, 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.”*

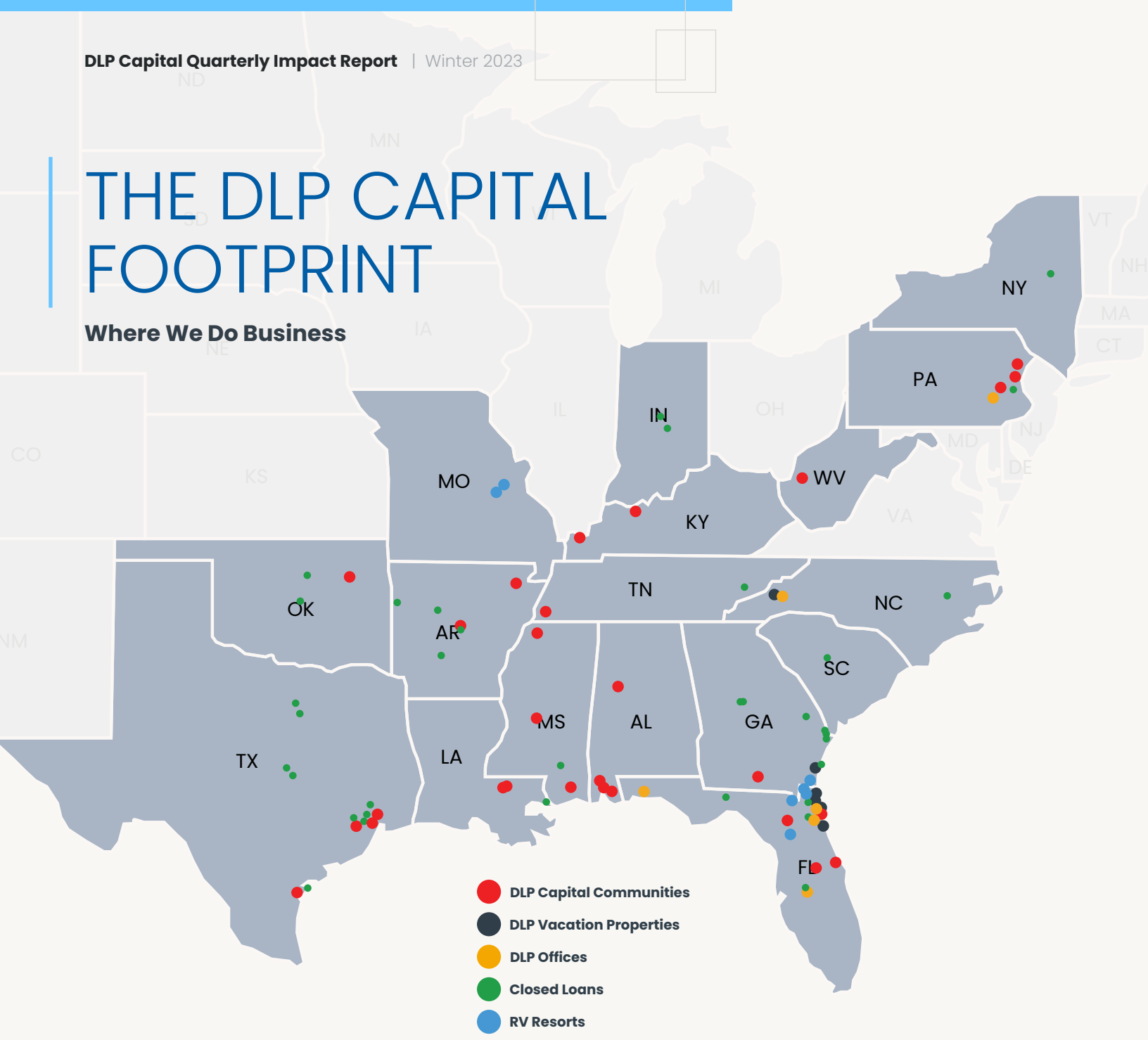
## **DLP INVESTMENT FAMILY**

DLP Capital is looking to positively impact and transform 10 million lives through our investment fund programs—and we’re well on our way. If you are new to our programs, consider joining our DLP Capital family through the unique investment opportunities we offer. You will join more than 2,900 existing DLP Capital families who hail from **every state in the nation**, many of whom contributed to the \$305 million capital raised in 2023. We are better together and are 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 commit to specific areas of future growth, we always have our eyes set on areas where we can make an impact.



# INVESTOR SPOTLIGHT

## Janina Pietsch

Certified Public Accountant and  
DLP Capital Investor

*"I am a CPA, so I've got a finance background. For the past couple of years, I was following [DLP Capital's] financials on a quarterly basis, probably looking deeper than the average investor would. . . . And it kept passing the test, quarter after quarter after quarter. . . . And then the values of the company. That was very important. From a CPA perspective, that was an A+."*

*"I decided that this is a company that I want to be aligned with, with my own personal finances and my mission, and decided to become an investor."*

## 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 toward 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)

# MISSOURI'S BEAUTIFUL OZARKS

Near St. Louis

Two Outdoor Hospitality/RV Resorts—Spanning 550+ Acres—Added to DLP Capital Portfolio



We continue to expand our outdoor hospitality and RV campground portfolio—this time adding two resorts in the beautiful Ozark Mountains outside St. Louis. Our acquisitions span 568 acres in total and include Ozark Outdoors, a riverfront resort with 467 sites, and nearby Blue Springs Ranch with 246 sites. The resorts offer rentals ranging from RV sites and cabins, to tent sites, and chalets. The high-end resorts are rich in amenities, capitalizing on river frontage by offering everything from rafting, kayaking, canoeing, and tubing, to aerial rope courses, ziplining, and family-fun amenities such as drive-in style movies, sand volleyball, swim beaches, horseback riding, and more.

*“DLP Capital sees continued growth in the outdoor hospitality resort market, and we’re fast becoming a dominant force in this investment category,” said Don Wenner. “We have long been known for building thriving multifamily communities, and we’re now leveraging our development and operating expertise to enhance the outdoor resort experience, including RV campgrounds. We’re investing in resorts that benefit from exquisite natural surroundings—like the Ozarks—and optimizing resort facilities and experiences.”*



**The ultimate outdoor resort and RV adventure:** Bald eagle viewing, treetop aerial rope courses, river kayaking or canoeing, swimming holes, fishing, drive-in style movies...a return to the great American family road trip.





**Dream. Live. Prosper.**



Our total investment in the outdoor hospitality sector now stands at nearly 2,000 RV pads owned or in development in Florida and Missouri, as we continue to invest in burgeoning alternative rental housing sectors. Another 900+ are currently in design for resorts in Georgia and Florida, in addition to tiny homes, cabins and other outdoor hospitality. DLP Capital has introduced the new brand name “Dream Outdoor Resorts” for our growing portfolio of outdoor resorts, with the two Ozark resorts joining the brand.

In addition to growth in the outdoor hospitality market in general, there has been exponential growth in the RV industry in particular, with more than 11 million households in the US now owning RVs. Many Americans are shifting the way they vacation and are also viewing RVs as an alternative to second homes.



Ozark Outdoors is situated in Leasburg, Missouri, 85 miles southwest of St. Louis. The 348-acre resort, tucked into a valley amid lush rolling hills, features over a mile of riverfront lodging and camping along the Meramec River. The surrounding Ozark Mountains reach a peak of more than 2,500 feet. The resort has RV sites, tents, cabins, motel rooms, and large chalets. A thriving river rafting business caters to 2,000 guests weekly, with float/boat trips featuring swimming holes and nesting eagles along the way. The resort also features a treetops aerial course, clubhouse, restaurant/bar, general store, and swimming pool, along with nearby attractions such as the popular Cathedral Caverns.

Blue Springs Ranch is located just 20 minutes from Ozark Outdoors and is only a one-hour drive from St. Louis. Spanning 220 acres, the resort features RV sites, tent sites, and cabins. The resort is also situated along the Meramec River, with other spring-fed rivers on site. Amenities include river rafting, zipline course, trail rides, fishing spots, swimming pool, general store, picturesque hiking trails, and more.



# impact series CONSTRUCTION UPDATE

## A Uniform “LEGO” Approach Saves Costs in Rental Housing Construction — and Creates More Affordable Rental Units



It's a new age of standardization in the development of multifamily and single-family rental properties: creating “**core**” elements of a unit's interior configuration that can be used again and again, from property to property, thereby creating cost efficiencies—and an end product with more affordability. This design core typically revolves around the main living area being standardized, i.e. the configuration of the entryway, kitchen, living room, master bedroom and bath, and laundry area. **“It's almost like a lego set,”** said Garret Askew, DLP Capital's Managing Director of Construction. **“We can drop a standard configuration into our development designs, and then personalize the surrounding structure.”**

Askew estimates that 55%-60% of multifamily developments aimed at middle-market rental properties, including workforce housing, follow core standardization approaches. Single-family rental communities have adopted building templates as well. The approaches to uniformity—and savings—can vary. It may include “panelization” that involves two-dimensional walls built in a factory for jobsite assembly to get the core started and then range all the way up to complete off-site modular unit construction that is then brought

on-site to form a building. While the core of a unit may be standardized, the number of additional bedrooms and baths surrounding the core can be tailored to the end user.

How does this core standardization approach save costs? Supply chains can be more controlled. Developers/contractors can better negotiate bulk agreements with national suppliers, for example, since there are more construction “knowns” and fewer variables. This allows a developer to control the quantities, timing, and prices on everything from housing fixtures, finishes, and flooring, to HVAC. There's also less field cutting, saving labor time and costs.

There is also increased precision with uniformity, which translates into less material use and waste. Take floor trusses—the structural framework between floors (a triangular web configuration similar in concept to roof trusses). Standardized pre-manufactured trusses can be strategically designed to withstand more flex. That precision, in turn, can allow the trusses' depth to be reduced from 18 inches to 16 inches. Multiply that by three levels, and it saves 6 inches of building height—and related savings from lumber costs to siding





# “It’s almost like a LEGO set”

and more. Nothing changes in regards to ceiling heights, so residents notice no difference.

Overall, when seeking to minimize costs to create quality, attainably priced rental housing, these types of standardization savings can add up. McKinsey & Company, for example, estimates that modular systems can cut costs by as much as 20%—and speed up construction timetables considerably as well<sup>1</sup>. In addition to the economies of scale, such construction has a green impact, allowing for the use of recycled materials.

Are there downsides to a uniform approach? *“It’s important to make sure every development benefits from its own unique character,”* added Askew. He points to the wide variety of techniques for giving each development visual distinctions and a unique identity. Distinctions can range from lap siding or board and batten siding, to bump outs, gables, shed roofs, variety in roof pitches, external color schemes, and much more.

In short, standardizing core elements allows for high-quality and precision construction while improving upon costs. By leveraging such uniformity, middle-market developers can create more competitive rental housing—priced to meet the growing housing demands of America’s workforces.

1 <https://www.mckinsey.com/capabilities/operations/our-insights/modular-construction-from-projects-to-products>



# NOVEMBER EVENT RECAP

**4 DAYS | 4 EVENTS | 400+ ATTENDEES | 1 UNFORGETTABLE WEEKEND**

**This past November, DLP Capital held arguably its biggest event yet. Hosted in Ponte Vedra Beach, FL, our highly anticipated Elite & Prosperity Family, Wealth, and Legacy Event, along with our first-ever Investor Day, first-ever in-person DLP Bank shareholder meeting, and Capital Dinner, brought a record number of excited attendees, world-class speakers, and an immeasurable amount of learning and growth.**

This event started with renowned athlete, speaker, and philanthropist Tim Tebow sharing the work and efforts of the Tim Tebow Foundation team. His motivating and impactful presentation led to a live auction, where attendees collectively raised more than \$857,000 for the foundation, which helps their mission of helping the world's most vulnerable people, including those affected by human trafficking and child exploitation, along with those with special and medical needs.

The rest of the event included inspiring keynote speeches and workshops from knowledgeable speakers like Bill High, Julia Meyers, Richard

Wilson, Michael Cole, Peter Fioretti, and more. Our attendees were also wowed with a special presentation by mentalist Oz Pearlman and were treated to an intimate fireside chat with NASCAR legend Michael Waltrip and Aaron Bare.

At the tail end of the event, DLP Capital presented its inaugural Investor Day, where dozens of our dedicated investors convened to get in-depth information about the funds in which they invest. That same day, DLP Bancshares hosted its first-ever in-person meeting and dinner to discuss the exciting progress of DLP Bank.

Finally, to conclude an already perfect event, attendees were treated to their choice of local activities, from attending a Jacksonville Jaguars game to touring historic St. Augustine, complete with a Spanish-themed food and cocktail tasting.

Interested in joining us for our next big event? Visit [dlpcapital.com/events](https://dlpcapital.com/events) now to view and register for upcoming webinars, capital dinners, and large-scale events in 2024!





# POSITIVE RETURNS *foundation*

**The DLP Positive Returns Foundation: Changing the world through the generous giving of time, talents, and treasures in a way that makes life better for others... Across the Room, Down the Street, and Around the World.**

In 2019, Don Wenner founded the DLP Positive Returns Foundation, which focuses on eradicating homelessness and global childhood poverty. The Foundation operates through partnerships with best-in-class organizations and provides manpower, collaboration, and capital to empower game-changing impact.

Each partner organization operates programs and initiatives that are unique in their approach, excellent in execution and results, reproducible in their model, and positioned for exponential growth.

Leveraging expertise in housing solutions, financial strategy, and building thriving communities, the Positive Returns Foundation embodies the *“doing well while doing good”* spirit of generosity that has guided DLP Capital since the beginning.

## 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:

**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.

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



# TRANSFORMING LIVES *Guatemala*



## DLP Positive Returns Foundation Discovers the Power of Teen Transformation in Guatemala— Miracles in the Making



### **DLP Capital is all about housing.**

And for many, a house is emblematic of family. But in some parts of the world, children never get to know much of either. That's why the DLP Positive Returns Foundation is going the extra mile (well, more like 2,540 miles to be exact) to help out orphaned teens in Guatemala City. These are children who, for the most part, have never known a home as they near adulthood. Through the non-profit organization Transforming Futures, orphaned teens and others without stable homes around Guatemala City are taught life skills, provided healthy meals, and offered spiritual guidance. The goal is to help prepare these young adults for prosperous and independent lives upon reaching the age of 18—when they no longer have orphanages as safety nets. Transforming Futures helps out other children facing poverty as well, but it's the teen transition program that is especially a hallmark of the organization's success.

*"You might ask, 'Why Guatemala?'"* said Danny Sells, Executive Director of DLP Positive Returns Foundation. *"But we have to start somewhere, and through multiple DLP Capital investors all roads seemed to*

*lead to Guatemala, where we can be empowered to make a huge impact."* Added Sells, *"The impact of Transforming Futures' teen program is profound and could serve as a model for other Central American nations. The program is not just about education and skills training; it's also about therapeutic healing for young adults in the program and creating relationships, as staff and peers become the family—the 'home' these teens never before had."*

Recently at a DLP Capital event, more than \$80,000 was raised to support Transforming Futures. DLP Positive Returns Foundation is also providing strategic counsel to the organization for a long-term plan to expand the program.

### **Metamorphosis From Orphans to "Family"**

Exactly how does the organization's young adult program work? The program for teen orphans typically begins at age 14. Once or twice a week after school, each youth goes to the Transforming Futures' training center. Many of the students have had





traumatic upbringings, and so providing emotional support to them is first and foremost among the cares of the foundation in the first year of the teen transformation program. Some of the children may have been raised combing for daily meals among the mountains of the city's garbage dump. Others have suffered abuse. One young adult had his entire family killed in an act of violence. And so on go the heartbreaking stories. But with Transforming Futures they're given a new outlook on life, with support at the training center including psychologists, therapists, social workers, and more.

Says Pablo Villaran, president of Transforming Futures, *"Guatemala has no foster care system, so in many cases these children have no one in the world who they think they can depend on. We want to see change in our time—and it starts with teaching these young adults to open up their lives to rely on others. That's where Transforming Futures comes in."*

While the first year of the teen program focuses on providing stability and support to teens, the second year is geared toward professional develop-



ment and teaching real-life skills. Teens are guided in reaching their academic potential, learn how to apply for jobs, and learn English since that exponentially multiplies their chances for future jobs. In year three, they begin acquiring trade skills whether in barbershops or beauty salons, culinary or coding, photography or plumbing, and more. Transforming Futures partners with local businesses in a multitude of mentorship programs, which currently includes talks with Pepsi regarding internships at its nearby facilities. Transforming Futures currently supports about 50 students in total, with an aim to increase that by another 30 teens in 2024.



In the past, when these types of young adults turned 18 and aged out of the orphanages, they walked through the gates to face lives of destitution, including vulnerability to gangs and trafficking. Transforming Futures has different plans. Equipped with education, spiritual strength, and life skills as well as professional skills, these young adults become ready for new beginnings. Transforming Futures will typically help each settle into a studio apartment, providing resources to the young adults as they start on their new life journeys, including weekly mentor visits for continued guidance and friendship. *"It is truly transformational,"* added Pablo. *"Every single child is a miracle in the making."*

For more miracles, the hope is that Transforming Futures can create a new training campus to help more orphaned teens—and sponsor communities of apartments for teen alumni to reside near to one another for continued camaraderie and peer support.



### **VISION TRIPS: WEEK OF JUNE 22, 2024**

DLP Positive Returns Foundation is offering our investors opportunities to join us on Vision Trips to Guatemala, beginning with one the week of June 22. On these 5-7 day trips, we typically stay in 4-star hotel accommodations in Guatemala City. Activities include:

- Visiting the Transforming Futures' training center to experience the programs and interact with teen members;
- Traveling to rural areas for service projects, such as school or residential building projects (akin to Habitat for Humanity);
- Joining Transforming Futures in its daily, lifesaving meal service to children who live in or feed off the Guatemala City garbage dump. Your life will be forever changed.

Or, if you'd simply like to donate to this non-profit cause visit:

[transformingfutures.org/waystohelp](https://transformingfutures.org/waystohelp)

*Help us Make  
more Miracles  
Happen!*



*Guatemala*

# UPCOMING EVENT

It's time to grab your fanciest boots, don your most extravagant hat, and get ready to do-si-do your way to our next signature event!



**WHAT:** .....Building an Extraordinary Family Event

**WHEN:**.....June 12-16, 2024

**WHERE:** .....Pigeon Forge, TN

DLP Capital is excited to present our Building an Extraordinary Family Event from June 12-16, 2024, at the enchanting **Dollywood's HeartSong Lodge & Resort**. This engaging and interactive event is specially designed to provide families with workshops, strategies, and experiences that will help foster stronger bonds and create lasting memories.

*"Building an Extraordinary Family"* is more than just a gathering. It's a unique opportunity to learn, grow, and connect with your family while enjoying the thrills and attractions of Dollywood. To kick off this event, we've invited John Maxwell as our keynote speaker. One of the most renowned speakers on leadership, John Maxwell will undoubtedly deliver a transformative speech that will set the tone for the event and prepare us all for big ideas, goals, and sessions.

While full details are still being finalized, we assure you that this event promises to be both educational and entertaining. To ensure you don't miss any event details, we invite you to register to receive updates as they become available! We look forward to seeing you there!

## WHERE YOU'LL STAY

Dollywood's HeartSong Lodge & Resort



Experience the magic of the Smoky Mountains at Dollywood's HeartSong Lodge & Resort, a stunning retreat blending rustic elegance with modern comfort. This resort is more than just a place to stay; it's an immersive experience nestled in Smoky Mountains' lush foothills, boasting grand timber architecture and cozy accommodations. Enjoy a range of on-site amenities, including an outdoor pool, a restaurant offering local cuisine, and various outdoor activities. As part of the Dollywood family, guests can easily access the theme park, Splash Country, and the Southern Gospel Music Hall of Fame.

## REGISTER:

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



# SOCIAL MEDIA HAPPENINGS

DLP Capital's "Multifamily & RV Investments" newsletter on LinkedIn is growing in popularity every day – accumulating 4,000+ subscribers and fantastic feedback. Subscribe today to stay updated on market dynamics, investment assets of opportunity, and valuable educational content.

Take a look at our latest editions:

1



DLP Capital's Investment Outlook for 2024  
DLP Capital on LinkedIn • 7 min read

## DLP Capital's Investment Outlook for 2024

This newsletter covers DLP Capital's investment outlook for 2024, including the opportunities to achieve both our core mission and superior returns.

2



How DLP Capital is Navigating Interest Rate Challenges & Mitigating Risk  
DLP Capital on LinkedIn • 6 min read

## How DLP Capital is Navigating Interest Rate Challenges & Mitigating Risk

In this edition, we answer a frequently asked question: How does the current interest rate market impact DLP Capital?

3



If You Build It, They Will Come – Harnessing Upside Potential in Tier 2 and Tier 3 Markets –  
DLP Capital on LinkedIn • 4 min read

## If You Build It, They Will Come – Harnessing Upside Potential in Tier 2 and Tier 3 Markets

Read about Tier 2 and 3 tertiary markets and why DLP Capital keeps its eyes on them. These markets are often ignored by other investors, which exacerbates rental housing voids but provides excellent opportunities for investment and upside potential.

Follow us today.

@dlpcapital



# TEAM MEMBER SPOTLIGHT

## Kate Hunter

Director of Employee Experience  
at DLP Capital

**Meet our very own Director of Employee Experience, Kate Hunter! Since earning this role in 2022, Kate has been passionately shaping and uplifting the employee journey at DLP Capital. With a focus on enhancing engagement and fostering a healthy, happy workspace, she leverages technology, core values, peer recognition, amenities, and process excellence.**

Originally hailing from Doylestown, Pennsylvania, and a proud graduate of CB West, Kate pursued business and hospitality studies at her local community college. She now resides in the scenic Poconos with her husband, three dogs, and a bearded dragon. The couple is also on a heartwarming journey to expand their family through adoption.

As a beloved team member, Kate was nominated multiple times to receive a Dream On, an initiative that provides necessary assistance to team members to help achieve their goals.



Kate's journey with DLP Capital began in 2015 as a WOW Coordinator. She was drawn to the company's powerful philosophy of **Dream. Live. Prosper.**, which has become a reality for her over the years. Her favorite core value is the **Twenty Mile March**, and as a past winner of this value, she sees it as a reminder to keep pushing, stay steady, and reach her goals, no matter what.

Kate's story is a testament to the opportunities at DLP Capital. Her journey from a WOW Coordinator to Director of Employee Experience is inspiring and shows that anything is possible with dedication, hard work, and a strong company culture. Thank you, Kate, for your unwavering commitment and for making DLP Capital a better place for everyone.

*"In December, our family was granted a monumental Dream On. The journey to parenthood was filled with challenges and complexities. Despite multiple attempts to conceive over the years, both independently and with medical aid, we reached a pivotal moment. Our hearts led us to a new and profound path to becoming parents during this period. DLP Capital is instrumental in turning this dream into reality by providing financial assistance throughout the adoption process. They covered the initial expenses for our adoption agency, a remarkable sum of \$15,000. Without DLP Capital's support, this opportunity would have remained out of reach for us. My gratitude knows no bounds.*

# MARKET RECAP

Safe, quality housing is the bedrock of American society and families, but 2023 proved a challenging year for Americans trying to make housing ends meet. This past year, the national rent-to-income average reached 30% for the first time in the 20 years that Moody's<sup>1</sup> has tracked the ratio. This comes on the heels of earlier data showing that more than 22 million Americans were cost-burdened, spending more than 30% on rent and utilities. Yes, lower-income brackets undoubtedly feel the heat worst. But surprisingly percentage-wise, cost burdens have risen the most for middle-income renter households earning between \$30,000 and \$74,999 annually, with their burden up 5.4% since 2019<sup>1</sup>. Suffice it to say that our mission at DLP Capital is more critical than ever, helping to address the housing affordability crisis.

This past year was a challenging one for both multifamily and single-family housing markets, but fortunately the year wrapped up with some light on the horizon. The national median home price closed out the year at a lofty \$382,600, but lower than a high of \$407,000 in August. The trend is ticking downward slowly, albeit not fast enough to turn renters back into would-be homeowners. National sales volume for existing homes fell more than 6% in 2024 vs. 2023.

On the bright side, the unaffordability of single-family homes bodes well for multifamily or rental housing, where occupancies remained at a solid 95%. To put that number into perspective, if we take into account the time needed to ready an apartment for new renters—the time lag between renters moving out and new ones moving in—that typically creates a “full” occupancy level of about 97%. So this year’s constant of 95%, unchanged from mid-year, speaks volumes about the resiliency of multifamily. In addition, this resiliency was seen nationally, with most markets from coast to coast experiencing occupancy rates unchanged or with only slight decreases.

Of the best performing markets for apartment demand in the last quarter, the Sun Belt continues to dominate, given continued population growth and household formation. The top markets were ranked as follows: Phoenix, Houston, Atlanta, Minneapolis, Newark, Raleigh/Durham, Orlando, Detroit, Austin, Chicago, Charlotte, and Salt Lake City<sup>2</sup>. Of particular interest, Real Page Analytics looked at the pre-pandemic yearly norm for demand, from 2010-19. The difference in 2023 Q4 demand for units compared to that Q4 2010-19 average is astounding (see chart below). Houston, for example, saw a demand for 3,256 more apartment units than the average for that prior 10-year period. Orlando had demand for 2,236 more units.

Markets Where 4Q Demand Well Outpaced Pre-COVID Norms

Market	4Q23 Demand	4Q10- 4Q19 Average	Difference
Phoenix	4,282	866	3,416
Houston	3,737	481	3,256
Atlanta	2,939	-158	3,097
Minneapolis	2,553	-279	2,832
Newark	3,065	419	2,646
Raleigh/Durham	2,886	525	2,361
Orlando	2,652	416	2,236
Detroit	1,083	-1,102	2,185
Austin	2,915	912	2,003
Chicago	-788	-2,777	1,989
Charlotte	2,498	517	1,982
Salt Lake City	2,171	262	1,909

REALPAGE  
Source: RealPage Market Analytics

Yes, there was a large pipeline of deliveries of new units this past year, but not nearly enough to make up for lost time—and construction starts dropped 53% year-over-year. (More on that topic in the *Investment Outlook that follows*).

Furthermore, while migration shifts to the sunny South might have slowed somewhat, the shift continues nonetheless. California and New York lost the most in population, according to recent US Census statistics, while states such as Alabama, Arizona, Florida, Georgia, and Texas remain on the rise<sup>3</sup>. The South accounted for 87% of the nation’s population growth

1 [America’s Rental Housing 2024, Joint Center for Housing Studies of Harvard University](#)  
 2 [Real Page Analytics](#)  
 3 [US Census: Population Estimates/Changes](#)



in 2023, with four states—Texas, Florida, North Carolina, and Georgia—accounting for 67% of all population growth<sup>4</sup>.

DLP Capital will continue to address rental housing shortages in these regions of high growth and high demand, while always keeping our eye on the goal post—quality, attainably priced housing that Americans can afford. The investment market in 2024 is rich in opportunities for development of attainably

priced multifamily and single-family rental housing, as well as rich in opportunities for financings and opportunistic acquisitions of the same.

We'll next expound more on those opportunities in a special 2024 outlook feature from Don Wenner, who delves into the outlook for rents, interest rates, supply, construction starts, and more.

4 [U.S. Population Trends Return to Pre-Pandemic Norms](#)

## Cost differential to own vs. rent = \$1,298

### Key Multifamily Stats

#### Rents

- In 2023, national rent-to-income average reached 30% for first time in 20 years of Moody's tracking
- December saw slight decline in average multifamily rent of \$4 to \$1,709
- Year-over-year national rent growth was 0.3%
- National lease renewal rates: 64.4% in Q4, down 1.5% from Q3

#### Occupancies:

- Multifamily occupancy remained at 95%, same as mid-year
- Most markets saw occupancy rates unchanged or only slight declines
- Huge show of resiliency continues

#### Sales

- Multifamily sales price-per-unit declined 14.5% in last 12 months
- Cap rates pushed up to 5.2% in 2023 vs. 4.2% in 2022

#### Construction

- Starts dropped 53% year-over-year
- Follows on heels of 1+ million new units delivered 2020-2023

### Key Single-Family Stats

#### Rents

- Average single-family rent declined \$1 in December to \$2,123
- Year-over-year national rent growth up 10 basis points to 1.2%

#### Occupancies:

- Single-family rental occupancy nearly unchanged at 95.8% in Q4
- Continued robust demand

#### Sales

- National median home price: \$382,600 in Q4, down from \$394,300 in Q3
- Sales of existing homes down 6.2% year-over-year
- Average 30-year mortgage: 6.9% in December
- Mortgage rates own from 23-year high of 7.49% in October

#### Sources:

- Avison Young Q4 2023 U.S. Multifamily Market Overview
- Yardi Matrix Multifamily National Report - December 2023
- National Association of Realtors, Existing-Home Sales Housing Snapshot December 2023
- Bankrate.com, A look back at mortgage rates in 2023

# INVESTMENT OUTLOOK

## For 2024

### Don Wenner's Top Six Market Predictions For 2024

As we head full swing into 2024, I'd like to share my predictions for the housing market, from rents and interest rates, to pipelines and property values, to collections. Some of these predictions will likely be different than what you are hearing in mass media. At this point, DLP Capital has over 25,000 residences in operation, development, and construction, in addition to another 10,000 residences in our lending portfolio. We estimate over 85,000 residents reside in our properties today. Suffice it to say that these predictions are not just based on personal experience, insights, and foresight—but strong data from our own boots on the ground, so to speak. So here goes my predictions for 2024.



## 1 RENTS WILL GROW AT HISTORICALLY NORMAL RATES

I expect the high rent growth that we saw in the last few years, which reached a year-over-year peak of 11.4% in Q1 2022<sup>1</sup>, to **subside to a normalized range of 1-3%** in 2024. This is a very acceptable range for multifamily portfolios in general and is fully in line with the historical average of 2.2%. A return to the historical average, in fact, points to a return to market stability. The housing market has been on a wild ride the last few years, and it's no surprise that such rent growth could not be sustained indefinitely. That being said, I expect pockets of stronger growth in many of the markets we focus on, in the Southeast primarily in addition to markets in Texas.

Understand that even through cycles of temperate rent growth, housing investments such as those in our DLP Lending Fund, DLP Preferred Credit Fund, and DLP Building Communities Fund were and are still returning double digits. I'm confident in the continued consistent strong performance of rental housing investments in the years to come, including 2024.

## 2 INTEREST RATES WILL DECLINE SLIGHTLY

My second prediction is that **mortgage rates will decline from the low 6s to low to mid 5s**. This too, like rent growth previously noted, will mark a return to historic normalcy. Yes, we know that many homeowners benefited from mortgage rates of only 3-4% in recent years, but in reality homeowners were somewhat spoiled by those rates, which were an anomaly originating from the 2008 housing crisis. If you look back to about the beginning of this century through 2008, 30-year mortgage rates were in the mid-5s to mid-6s—exactly the levels I expect them to return to. Mortgage rates plummeted largely due to the 2008 financial crisis and an overcorrection in policy in which the Federal Reserve held interest rates at close to zero for an extended period of time. The federal funds rate was, at one point, actually reduced to nearly zero: 0.06%, in 2011<sup>2</sup>. The extreme monetary loosening provided the financial industry a lifeline during that economic crisis, but those days are past—albeit we now have economic woes of a different kind, such as inflation.

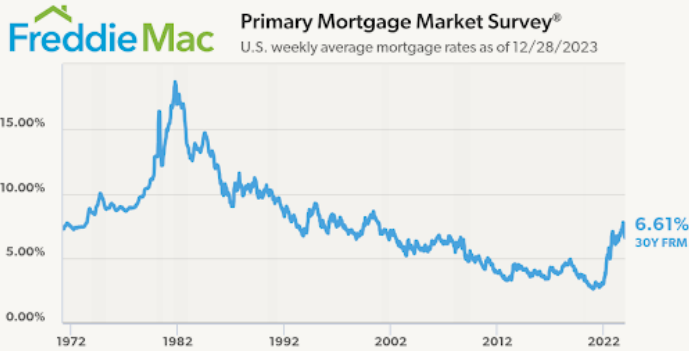
Chart below shows Historical Average for Rent Growth of 2.2% vs. peak of 11.4%

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.0%	6.6%	7.2%	7.8%	2009 Q4	4.8%	2021 Q3
Absorption Units	332,359	231,137	327,097	735,997	2021 Q3	72,130	2002 Q2
Delivered Units	565,236	268,904	348,069	568,086	2023 Q4	80,601	2011 Q4
Demolished Units	3,516	8,603	11,204	21,617	2013 Q3	586	2002 Q1
Asking Rent Growth (YOY)	0.9%	2.2%	3.3%	10.5%	2022 Q1	-4.0%	2009 Q4
Effective Rent Growth (YOY)	0.7%	2.2%	3.2%	11.4%	2022 Q1	-4.0%	2009 Q4
Sales Volume	\$80.5B	\$88.4B	N/A	\$317.4B	2022 Q2	\$16.8B	2009 Q3

1 CoStar Multi-Family National Report, 1/2/1024

2 Federal Reserve's Policy Actions During the Financial Crisis

In short: I'm extremely confident that the housing industry can thrive with mortgage rates of 5-6%, as it has done during decades of housing booms in the past.



### 3 MULTIFAMILY OVERSUPPLY WILL BE ABSORBED

Some markets will experience short-term oversupply, but I don't expect that to last for long, and **most markets will absorb available rental stock by the end of 2024**. Yes, there's an estimated 440,000 new units coming online this year<sup>3</sup>. That may seem like a lot to absorb but not when you look at long-term demand. The U.S. is expected to need 4.3 million more apartments by 2035, according to the National Multifamily Housing Council (NMHC). Divide that by the next 10 years, and that's an average of 430,000 units needed per year. So we're actually right on target this year—though we'll need to play catchup when deliveries in 2025 begin tapering off.

Still, while it may seem we're on target for supply over the long run, not nearly enough deliveries will be workforce rental housing, priced for Americans that serve as the backbones of our communities—teachers, police, health care workers, etc. Increasingly, these critical workforces must turn to rentals as the affordability gap between owning a home versus renting remains at an all-time high. It's now \$1,298 more expensive on a monthly basis to own a home rather than rent a professionally managed apartment, according to NMHC. That's why I have DLP Capital on course with a multi-year pipeline of new, attainably priced rental housing developments. We have over 8,000 currently in the development and construction pipeline.

### 4 NEW DEVELOPMENT & CONSTRUCTION

**Construction starts in 2024 will be minimal due primarily to a dearth of financing.** Commercial real estate lenders significantly pulled back on construction lending in the last year, and many closed up shop altogether. The Mortgage Bankers Association expected multifamily lending to finish 2023 with a total decline of \$285 billion for the year, a 41% decrease from 2022<sup>4</sup>. That's an astounding decrease—but with problems come opportunities. Agile lenders with solid resources will be able to capitalize on financing voids in 2024.

Also, in terms of my prediction of minimal construction starts, don't be confused with the hefty numbers you may hear about multifamily currently under construction in the US—about one million units. Those are units previously underway, mostly begun in 2022. Many of those units will be delivered this year, if not already. Fortunately, in terms of a dearth of financing—and bringing this point home to DLP Capital—we're flush with capital for strong sponsors with quality projects, and we have a goal of \$1.5 billion in rental communities financed in 2024. We've positioned ourselves to capitalize on lending opportunities as other lenders are relegated to the sidelines.

In terms of **2024 construction costs, I expect a modest 2-4% decline**, following on the heels of a 5-7% decline in the past year.

### 5 PROPERTY VALUES

**Values will remain flat in 2024.** However, if interest rates decline meaningfully (*more than my expectation of low to mid 5s*) and are expected to continue to decline, I anticipate a lot of capital flowing into the market, which in turn will cause cap rates to decline and values to spike up. If my prediction on rates declining is wrong and that does not happen, we'll see cap rates increase 50-100 basis point and values decline. In short, the fundamentals are very strong, but interest rates are the one primary factor keeping capital on the sideline and, in turn, keeping values from increasing currently.

3 [CBRE U.S. Market Outlook 2024](#)

4 [MBA Forecast: Commercial/Multifamily Lending](#)



## 6 COLLECTIONS

**We'll see an increase in delinquencies in 2024** as many families have depleted their savings, including prior economic impact payments. Lower-income consumers are especially at risk of falling behind on payments. This is a time in which our mandate of housing being affordable for working families is especially important. The threshold of affordability is generally accepted as 30% of gross income going to pay rent. In 2023, we surpassed 50%+ of families now spending over 30% of their gross income on rent,

which often means that these residents are going to struggle to make ends meet and rent delinquencies will increase. Our mandate is for 85%+ of our investments to be less than 30% of rent-to-income, with the majority of our communities at less than 25%. This means that our renters can pay their rent because it is affordable. In short, we expect to see a decrease in collections nationally in 2024 of about 1% from the current collections of around 95%.

### IN SUMMARY

**Where do these six predictions leave us?** We still have a housing shortage, and unfortunately for millions of working families that problem is not going away any time soon. Between a dearth of new multifamily construction starts going forward, existing supply being absorbed, and mortgage rates still stymying homeownership, the 2024 rental market will remain strong and performance will be solid. The winning formula, I predict, is to stay the course with housing investments and with a 3-5 year horizon, there is a very strong potential for continued double-digit returns when invested with experienced and disciplined managers.

# 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

### 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 [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.

**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 4, 2023

## OVERVIEW & FUTURE OUTLOOK

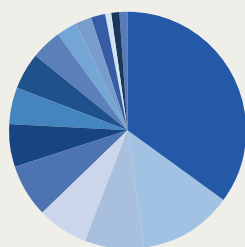
Despite a challenging year for the housing market, in addition to the payment of its 6% preferred return, the Fund distributed annual EDC in the amount of \$1,529,422. During Q4, the Fund's capital commitments increased by \$20.8M, totaling \$66.2M year-to-date. Since inception, the Fund has distributed over \$77 million to its investors, resulting in an IRR of 25.98%.

In November, DLP Oxford, a 234-unit property in Mississippi sold. The asset earned the Fund a 20.81% return on the investment acquired in May 2021. The Fund also acquired a 75% interest in the multifamily complex, Altitude (FKA The Proper), in Houston. Additionally, the Fund capitalized on an opportunity to exit two portfolios, Baton Rouge (a 5% interest) and Little Rock (a 55% interest). These portfolio dispositions earned the Fund 17% and 9% returns respectively. During 2023, the Fund's lending subsidiary originated a total of \$117.4M in senior mortgage loans including \$5.5M development parcel loan in Q4.

Looking forward to 2024, the Fund is well-capitalized with \$40 million reserve liquidity to take advantage of acquisition and lending opportunities that will expand the Fund's portfolio and improve earnings.

## FUND CHARACTERISTICS

### Asset Locations



<b>Texas</b>	38%
<b>Mississippi</b>	11%
<b>Arkansas</b>	7%
<b>Alabama</b>	7%
<b>Georgia</b>	7%
<b>Kentucky</b>	6%
<b>Oklahoma</b>	5%
<b>Pennsylvania</b>	5%
<b>Tennessee</b>	4%
<b>North Carolina</b>	3%
<b>Florida</b>	2%
<b>Indiana</b>	2%
<b>Louisiana</b>	1%
<b>South Carolina</b>	1%
<b>West Virginia</b>	1%

## FUND DETAILS

<b>Inception Date</b>	01.01.2020
<b>Capital Commitments</b>	\$497,777,341
<b>Target Annual Return</b>	10-12%
<b>Preferred Returns</b>	6%
<b>Compounded Preferred Return DRIP IRR YTD</b>	6.36%
<b>Annual Compounded DRIP IRR</b>	6.74% <sup>1</sup>
<b>Compounded DRIP IRR Since Inception</b>	25.98% <sup>1</sup>
<b>Periods of Missed Preferred Return</b>	Zero
<b>Total Real Estate Value</b>	\$2,080,340,000
<b>Number of Communities</b>	55
<b>Number of Homes</b>	13,271
<b>Management Fee</b>	2%, Subordinate to Preferred Return
<b>Performance Fees</b>	20%
<b>Redemption Notification</b>	Annual Redemption
<b>Management</b>	DLP Housing Fund 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)

1. As of 12/31/2023 (excluding the 2023 NAV unit shares not yet issued)

## IMPACT NUMBERS

<b>Number of Residents</b> (*As of 12.31.23)	34,812
<b>Affordable Rent Collected</b> (*As of 12.31.23)	\$49,877,928
<b>Estimated # of Lives Impacted</b> (*As of 12.31.23)	39,813

# DLP Lending Fund, LLC

DECEMBER, 2023

ANNUALIZED AVG RETURN  
SINCE INCEPTION\*

# 12.56%

\*Inception Date – 10/22/14

## OVERVIEW & FUTURE OUTLOOK

The DLP Lending Fund's performance exceeded its monthly 9–10% annualized targeted return. In December, the Fund distributed over \$3.7M, totaling a 10.06% return to investors, continuing its performance streak of surpassing targeted returns every month since inception.

The Fund published its strongest revenues and distributions since inception. During 2023, the Fund generated over \$100M in revenues, and distributed a total of \$40,695,663 to its investors. Since last year, the Fund grew its equity under management by ~22%. Yearly originations totaled \$627M from 142 closings, highlighting the strong demand for capital in an undersupplied market.

In December 2023, originations totaled ~\$37.8M across five unique borrowers.

In 2024, the Fund expects to continue to achieve our investment return targets, while growing the funds AUM by more than \$100M. The fund anticipates the origination of over \$1B in new loan originations in 2024.

## FUND DETAILS

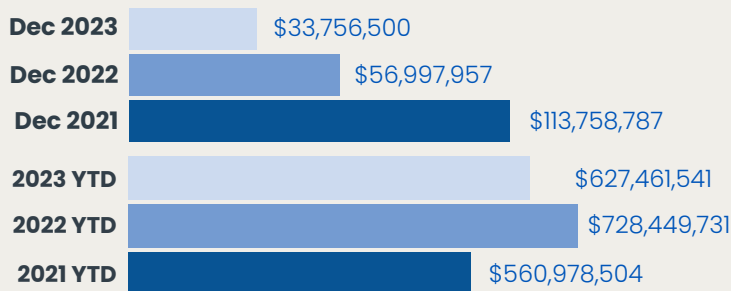
<b>Inception Date</b>	10.22.2014
<b>Fund Term</b>	Evergreen
<b>Fund AUM</b>	\$814,315,383
<b>Equity Commitments</b>	\$452,201,844
<b>Total Loans Under Management</b>	\$1,084,681,930
<b>LTV Average</b>	54%
<b>LTC Average</b>	78%
<b>Annualized AVG Return Since Inception</b>	12.56%
<b>Compounded DRIP IRR Since Inception</b>	13.31%
<b>Target Return</b>	9–10%
<b>Preferred Return</b>	8%
<b>Periods of Missed Preferred Return</b>	None
<b>Management Fee*</b>	2%, Subordinate to Preferred Return
<b>Performance Fee</b>	20%
<b>Redemption Notification</b>	90 days
<b>Management</b>	DLP Management Group, LLC

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

### DLP LENDING FUND HISTORY

	December 2023	Year to Date	Since Inception
<b>Income</b>	\$8,820,016	\$100,095,601	\$254,049,036
<b>Costs</b>	\$5,079,332	\$59,399,938	\$127,079,812
<b>Distributions</b>	\$3,740,684	\$40,695,663	\$126,969,224

### LOAN ORIGATION VOLUME



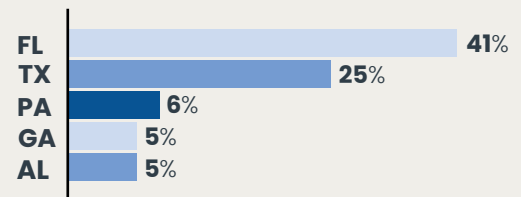
### LOAN REGIONS

<b>Southeast</b>	61%
<b>Southwest</b>	25%
<b>Northeast</b>	8%
<b>Midwest</b>	4%
<b>West</b>	2%

### LOAN PERFORMANCE (based on current loan amount)

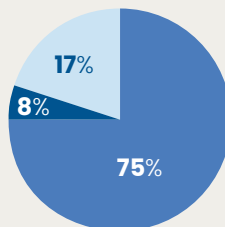
<b>Current</b>	93.75%
<b>31-60 Days Delinquent</b>	3.49%
<b>90+ Days Delinquent</b>	2.76%

### TOP 5 STATES



### ASSET TYPE BY PERCENTAGE

<b>Community Loans</b>	<b>75%</b>
Multifamily Existing	32%
Manufactured Housing & RV Existing	16%
Multifamily New Community	11%
Manufactured Housing & RV New Development	10%
Single-family New Community	6%
<b>Land and Commercial</b>	<b>17%</b>
Commercial	12%
Land	5%
<b>Single-Family Scattered</b>	<b>8%</b>
Single-family New Construction	3%
Single-family Existing	3%
Multi-Property – Existing	1%
Multi-Property – New Construction	1%



### MONTHLY GROWTH

<b>Loans Under Management</b>	-\$3,027,939
<b>Assets Under Management</b>	-\$4,423,365
<b>Capital Under Management</b>	-\$515,838

### TYPICAL DLP BORROWER

<b>Average Liquidity</b>	\$3,105,995
<b>Average Credit Score</b>	727
<b># of Projects Completed</b>	188
<b>Average Number of Loans Per Borrower</b>	4



## DLP Lending Fund, LLC Continued

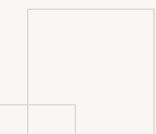
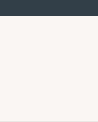
## MONTHLY RETURN ANNUALIZED

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	AVG Annual %
<b>2023</b>	10.05%	10.25%	10.14%	10.01%	10.05%	10.06%	10.16%	10.01%	10.13%	10.05%	10.07%	10.06%	<b>10.09%</b>
<b>2022</b>	10.79%	11.36%	11.80%	12.89%	12.36%	11.04%	11.62%	11.14%	11.00%	10.35%	10.85	10.12%	<b>11.28%</b>
<b>2021</b>	11.04%	11.09%	11.08%	11.03%	10.47%	10.47%	10.55%	10.71%	10.16%	10.09%	10.50%	10.12%	<b>10.61%</b>
<b>2020</b>	12.04%	12.09%	11.22%	11.39%	11.06%	11.05%	11.06%	11.05%	11.04%	11.06%	11.02%	11.06%	<b>11.26%</b>
<b>2019</b>	12.65%	12.81%	12.45%	12.61%	12.54%	12.51%	12.20%	12.22%	12.53%	12.11%	12.18%	12.06%	<b>12.41%</b>
<b>2018</b>	12.57%	13.72%	12.43%	13.62%	12.46%	13.39%	12.45%	12.38%	12.48%	12.49%	12.56%	12.75%	<b>12.76%</b>

## MONTHLY RETURNS

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	DRIP IRR%
<b>2023</b>	0.84%	0.85%	0.84%	0.83%	0.84%	0.84%	0.85%	0.83%	0.85%	0.84%	0.84%	0.84%	<b>10.57%</b>
<b>2022</b>	0.90%	0.95%	0.98%	1.07%	1.03%	0.92%	0.97%	0.93%	0.92%	0.86%	0.90%	0.84%	<b>11.88%</b>
<b>2021</b>	0.92%	0.92%	0.92%	0.92%	0.87%	0.87%	0.88%	0.89%	0.85%	0.84%	0.87%	0.84%	<b>11.14%</b>
<b>2020</b>	1.00%	1.01%	0.94%	0.95%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	<b>11.86%</b>
<b>2019</b>	1.05%	1.07%	1.04%	1.05%	1.05%	1.04%	1.02%	1.02%	1.04%	1.01%	1.01%	1.01%	<b>13.14%</b>
<b>2018</b>	1.07%	1.05%	1.06%	1.12%	1.06%	1.10%	1.06%	1.05%	1.03%	1.06%	1.03%	1.08%	<b>13.54%</b>

\*Inception Date - 10/22/14



# DLP Preferred Credit Fund, LLC

ANNUALIZED AVG RETURN  
SINCE INCEPTION

**10.52%**

QUARTER 4, 2023

## OVERVIEW & FUTURE OUTLOOK

The fourth quarter yielded another period of strong performance for the DLP Preferred Credit Fund. The Fund exceeded its 10% annualized targeted return for the eighth consecutive quarter, distributing a 10.43% return of \$1,168,386 to its investors.

Over the last year, the Fund doubled its EUM, growing its equity commitments by over \$26.4M, and distributed a total of \$3,406,653 to its investors. In Q4, a loan totaling \$7.17M was originated. The financing provided for two RV sites located in Missouri. Both sites combined, provide over 460 RV pads, sites, and lodging units.





Management expects market fundamentals and underlying demand to remain strong throughout 2024. As a result, DLP Capital will continue to seek attractive opportunities to deploy capital from the Fund.

## FUND DETAILS

<b>Inception Date</b>	10.01.2021
<b>Fund Term</b>	Evergreen
<b>Fund AUM</b>	\$52,742,060
<b>Equity Commitments</b>	\$48,485,060
<b>Annualized AVG Return Since Inception</b>	10.52%
<b>DRIP Based IRR Since Inception</b>	11.03%
<b>Annual Compounded DRIP IRR</b>	10.93%
<b>Target Return</b>	10-11%
<b>Preferred Return</b>	9%
<b>Periods of Missed Preferred Returns</b>	0 Months
<b>Management Fee*</b>	2%, Subordinate to Preferred Return
<b>Performance Fee</b>	20%
<b>Redemption Notification</b>	90 days
<b>Management</b>	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

<b>Q4 2023</b>		\$7,172,600
<b>Q4 2022</b>		\$0
<b>2023 YTD</b>		\$19,037,600
<b>2022 YTD</b>		\$17,350,000

## PORTFOLIO SNAPSHOT

<b>Total Value of Underlying Real Estate</b>	\$394,720,900
<b>Total Volume of Fund Investments</b>	\$41,509,519
<b>Average Fund Investment</b>	\$5,188,690
<b>Average Borrower Subordinate Equity</b>	\$7,445,412



## ASSET OVERVIEW

Asset Type	City	State	# of Homes	Stabilized Value	Fund Investment Amount	Subordinate Equity
<b>Multifamily - New Community</b>	Kissimmee	FL	304	\$103,100,000	\$7,500,000	\$19,460,000
<b>Commercial</b>	Fernandina Beach	FL	225	\$22,000,000	\$5,000,000	\$6,536,742
<b>Commercial</b>	Fort Pierce	FL	133	\$16,909,514	\$1,967,401	\$4,046,379
<b>Commercial</b>	Surfside Beach	SC	70	\$42,111,386	\$4,127,017	\$8,492,087
<b>Land - Single-family</b>	St. Simons Island	GA	2	\$550,000	\$412,500*	\$359,472
<b>Land-Multifamily</b>	St. Augustine	FL	210	\$64,200,000	\$3,630,000*	\$2,675,000
<b>Manufactured Housing &amp; RV - Existing</b>	Multiple	Multiple	676	\$112,350,000	\$11,700,000	\$17,013,818
<b>Manufactured Housing &amp; RV - Existing</b>	Multiple	MO	748	\$33,500,000	\$7,172,600	\$979,800

\*Denotes Sr Mortgage

## QUARTERLY AVERAGE RETURNS ANNUALIZED

Year	Q1	Q2	Q3	Q4	AVG Annual %
<b>2023</b>	10.05%	10.20%	10.99%	10.43%	<b>10.42%</b>
<b>2022</b>	10.16%	10.73%	11.23%	10.73%	<b>10.71%</b>
<b>2021*</b>	Fund wasn't open Q1-Q3 of 2021			10.06%	<b>10.06%</b>

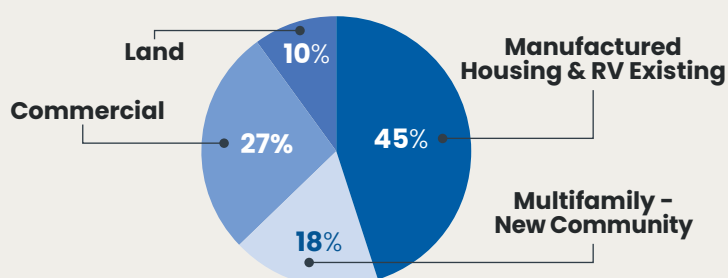
\*71 days of operations

## MONTHLY RETURNS

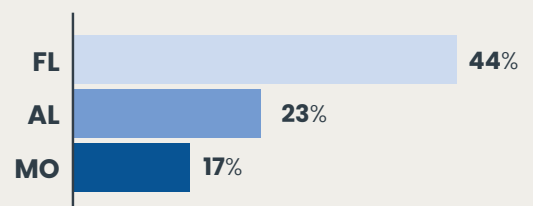
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	DRIP IRR%
<b>2023</b>	0.88%	0.81%	0.83%	0.87%	0.83%	0.85%	0.89%	0.95%	0.91%	0.86%	0.86%	0.88%	<b>10.93%</b>
<b>2022</b>	0.75%	0.70%	1.09%	0.75%	0.75%	1.18%	0.75%	0.75%	1.31%	0.75%	0.75%	1.18%	<b>11.25%</b>
<b>2021</b>										0.28%	0.75%	0.96%	<b>10.54%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

\*71 days of operations

## ASSET TYPE BY PERCENTAGE



## TOP 3 STATES



# DLP Building Communities Fund, LLC

QUARTER 4, 2023

## OVERVIEW & FUTURE OUTLOOK

We are pleased to announce, in addition to the 8% quarterly preferred return, the Fund distributed \$2,445,645.30 of excess distributable cash (EDC) for the year resulting in a 11.74% compounded return for 2023 (DRIP). The Fund’s capital crossed the \$100 million milestone during Q4 closing out the year with \$109,361,308 members’ capital. Since inception, the Fund has distributed over \$12.5 million to its investors resulting in an IRR of 12.28%.

In Q4, the Fund’s land banking deal, sold its final set of parcels. Overall, the investment earned the Fund a 23.59% return, distributing a total profit of \$1,018,115.

The Fund experienced over 80% growth in AUM (+\$51.8M) year-over-year. The significant growth has been attributable to the number of development projects underway stimulated from the Fund’s ample capital deployments, providing an abundance of opportunities to explore and create thriving communities in the Sun Belt markets with strong demand.

Management anticipates another notable upcoming year with over 1,100 units scheduled for delivery. In 2024, the Fund expects to close on at least five new development communities with DLP as the sponsor, explore new land banking deals with developers and homebuilders, and provide preferred equity investments to experienced developers into the development of new communities.

## FUND DETAILS

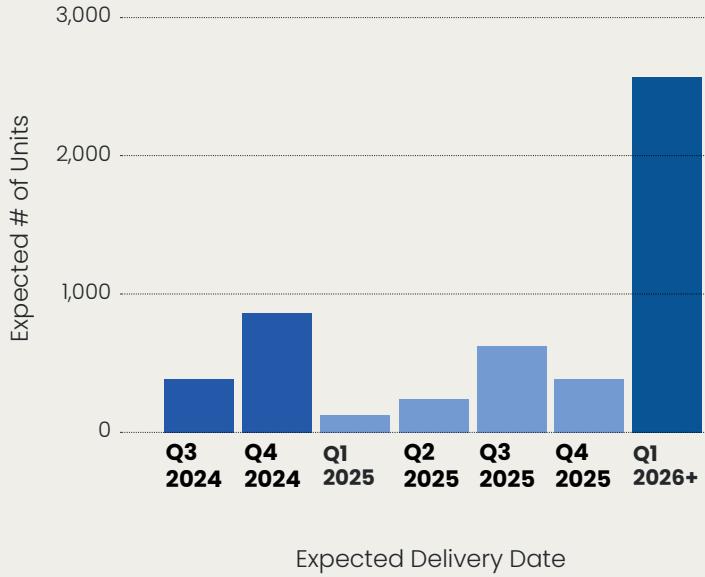
<b>Inception Date</b>	10.01.2021
<b>Investor Capital</b>	\$109,361,308
<b>Target Return</b>	11-13%
<b>Preferred Returns</b>	8%
<b>Annual Compounded DRIP IRR</b>	11.74%
<b>Compounded DRIP IRR Since Inception</b>	12.28%
<b>Periods of Missed Preferred Returns</b>	Zero
<b>Management Fee*</b>	2%, Subordinate to Preferred Return
<b>Management Performance Fees</b>	20%
<b>Redemption Notification</b>	Annual Redemption
<b>Management</b>	DLP BCF Manager, LLC
<b>Unit Price per Share</b>	\$1,000

*\* 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>	33,834
<b>Number of Jobs</b> <i>(Development &amp; Construction)</i>	10,582
<b>Number of Jobs</b> <i>(Long Term)</i>	236
<b>Total Development &amp; Construction Budget</b> <i>(Estimated \$)</i>	\$2,138,364,024
<b>Estimated Number of Future Units</b>	11,278

### PROJECT UNIT DELIVERIES BY QUARTER



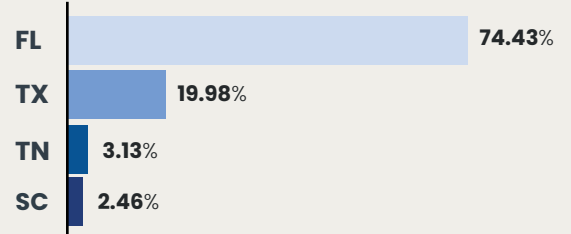
CURRENT IN DEVELOPMENT

**5,323**

CURRENT IN PRE-DEVELOPMENT

**5,955**

### TOP STATES



### QUARTERLY AVERAGE RETURNS ANNUALIZED

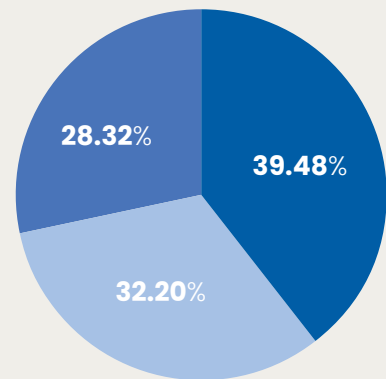
Year	Q1	Q2	Q3	Q4	AVG Annual %
2023	8.00%	8.00%	8.00%	21.18%	<b>11.30%</b>
2022	0.00%	0.00%	0.00%	13.11%	<b>13.11%</b>
2021*	Fund wasn't open Q1-Q3 of 2021			8.00%	<b>8.00%</b>

\*24 days of operations

### COMMUNITY TYPES

(% of expenditures as of quarter end)

- Finished Lot Sales
- Multifamily
- Single-Family



### QUARTERLY RETURNS

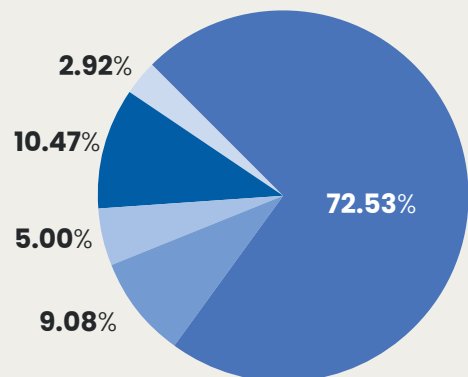
Year	Q1	Q2	Q3	Q4	DRIP IRR %
2023	2.00%	2.00%	2.00%	5.30%	<b>11.74%</b>
2022	0.00%	0.00%	0.00%	13.11%	<b>13.11%</b>
2021*	Fund wasn't open Q1-Q3 of 2021			0.53%	<b>8.00%</b>

\*24 days of operations

### COMMUNITY TYPES

(% per development budget)

- Finished Lot Sales
- Multifamily
- Single-family
- RV & Cottage
- Various





**DLP CAPITAL Building Communities Fund, LLC | Continued**

**Dream Jacksonville Ph.1**

<b>Location</b>	Jacksonville, FL
<b>Type</b>	Mixed Use
<b>Investment Amount</b>	\$19,156,157
<b>Investment Date; Construction Start</b>	4/18/22 - 2/27/23; Q4 2024
<b>Current Status</b>	Engineering, Design, & Permitting
<b>Total units</b>	1260

Gateway Jax's Phase 1 redevelopment project in Jacksonville is progressing smoothly, with construction beginning in Q4 2024. The design work for most of the sites is expected to wrap up in the next few weeks. Gateway Jax is currently assessing various retailers to occupy the commercial sites included in this phase. Additionally, Gateway Jax has built a fantastic partnership with the City of Jacksonville and has built strong support for the redevelopment work that is currently underway.



## Dream Winter Haven

<b>Location</b>	Winter Haven, FL
<b>Type</b>	Multifamily
<b>Investment Amount</b>	\$8,886,500
<b>Investment Date; Stabilization</b>	Q4 2021; Q2 2025
<b>Current Status</b>	Vertical Construction
<b>Total units</b>	280

The Dream Winter Haven project has entered vertical construction. Unit deliveries are expected to begin phased rollout in Q3 2024 with a Q2 2025 stabilization date. This development will provide much-needed housing to supply a constrained market, and its successful completion will add scale to the DLP Building Communities Fund portfolio.





**DLP CAPITAL Building Communities Fund, LLC | Continued**

**Dream Sevierville**

<b>Location</b>	Sevierville, TN
<b>Type</b>	Multifamily - Class A
<b>Investment Amount</b>	\$4,735,653
<b>Investment Date; Stabilization</b>	Q3 2022; Q4 2025
<b>Current Status</b>	Vertical Construction
<b>Total units</b>	312

Vertical construction is on track to make substantial completion by Q2 2025. Stabilization is expected in Q4 2025. Given Sevierville’s limited supply of attainable workforce housing, the DLP Building Communities can substantially fill the need and provide a Class-A product.





## Investment Funds Comparison

FUND/INVESTMENT	DLP BUILDING COMMUNITIES FUND	DLP HOUSING FUND	DLP PREFERRED CREDIT FUND	DLP LENDING FUND
<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>	This fund makes primarily equity investments into the development and construction of new rental communities, including build-to-rent (BTR) single-family, multifamily and RV communities.	This fund makes primarily equity investments into existing build-to-rent (BTR) single-family and multifamily communities in U.S. markets with strong demand for attainable rental housing.	This fund makes debt and preferred credit investments to real estate sponsors with proven track records for the acquisition, repositioning, and construction of rental housing in the Sun Belt designed to be attainable for working families.	This private REIT makes debt investments to experienced real estate sponsors for the construction, acquisition, and repositioning of attainable rental housing in U.S. markets where working families are being priced out of home ownership.
<b>Direct/Indirect Security</b>	Equity Ownership in Real Estate, Mortgages, Preferred Equity and Mezzanine Debt	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>	Yes; REIT Subsidiary**	Yes; REIT Subsidiary	Yes	Yes
<b>QBI (199A) Deduction Eligible</b>	Partial	Yes <sup>3</sup>	Yes <sup>3</sup>	Yes <sup>3</sup>
<b>Distribution Frequency</b>	Quarterly (Pref); Annually (EDC*)	Monthly (Pref); Annually (EDC*)	Monthly	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>2023 Compounded DRIP IRR</b>	11.74% <sup>1</sup>	6.74% <sup>4</sup>	10.93% <sup>1</sup>	10.57% <sup>1</sup>
<b>Compounded DRIP IRR Since Inception</b>	12.28% <sup>1</sup>	25.98% <sup>4</sup>	11.03% <sup>1</sup>	13.31% <sup>1</sup>
<b>Annual Management Fee Rebate Investments of \$1M+<sup>2</sup></b>	0.50%	0.50%	0.50%	0.50%
<b>Annual Management Fee Rebate Investments of \$10M+<sup>2</sup></b>	1.0%	1.0%	1.0%	1.0%
<b>Performance Fee</b>	20% Upon Achieving Preferred Return	20% Upon Achieving Preferred Return	20% Upon Achieving Preferred Return	20% Upon Achieving Preferred Return
<b>Redemption Notifications</b>	Annual	Annual	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>	\$2,000,000,000	\$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>Inception Date</b>	October 2021	January 2020	October 2021	October 2014

1. As of 12/31/2023

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

3. Section 199A dividends are not subject to the same income limitations as the other QBI component

4. As of 12/31/2023 (excluding the 2023 NAV unit shares not yet issued)

\*EDC - Excess Distributable Cash

\*\* Election effective 1/1/2024

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

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**NOTES**

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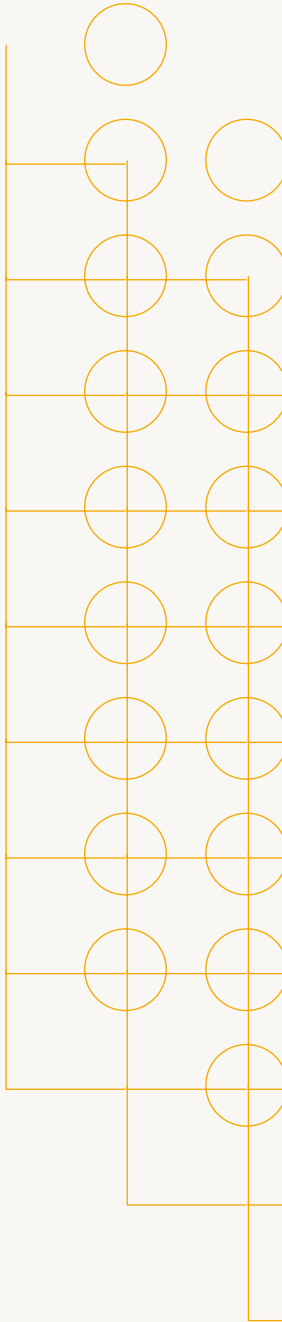
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