

DLP PREFERRED CREDIT FUND

THE GOAL

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

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

THE STRATEGY

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

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

THE INVESTMENTS

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

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

10-11%

Targeted Annual Net Return to Investors

10.93%

Annual Compounded DRIP¹

9%

Preferred Return Paid Monthly

90-Day

Redemption Notification



FUND HIGHLIGHTS

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

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

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

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

FUND OVERVIEW

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

INVESTMENT THESIS

WHAT WE INVEST IN: Primarily debt investments in opportunities such as the origination and acquisition of mortgage loans.

WHERE WE INVEST: Markets with populations of at least 100k, with evidence of both population and job growth. Primarily in FL, TX & other Sun Belt states.

WHEN WE INVEST: Pre-development, development, construction stages & value-add projects

WHO WE INVEST WITH: Experienced developers, builders, operators, & lenders with proven track records

A CLOSER LOOK:

- Typically require various loan reserves to mitigate risk.
- Require equity subordinate to all agreements, with PCF receiving repayment prior to the sponsor reclaiming any of their invested equity

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| Fund Type | Preferred Real Estate Credit Fund (REIT) |
| Direct / Indirect Security | Notes Secured by Equity Pledges, Mortgages, & Personal Guarantees |
| Inception Date | October 2021 |
| Fund Term | Evergreen |
| Distribution Frequency | All Distributions Paid Monthly |
| Management Fee | 2.0%; Subordinate to Preferred Return |
| Annual Management Fee Rebate Investments of \$1M+ ¹ | 0.50% |
| Annual Management Fee Rebate Investments of \$10M+ ¹ | 1.0% |
| Preferred Return | 9% |
| Targeted Annual Net Return to Investor | 10-11% |
| Performance Fee | 20% Upon Achieving Preferred Return |

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|----------------------------------|---------------------------|
| Reporting Frequency | Quarterly |
| Target Fund Size | \$1,000,000,000 |
| Minimum Investment | \$200,000 |
| Investor Suitability | Accredited Investors Only |
| Benefits of Leverage | Yes |
| IRA Investment Options | Yes |
| Tax Shelter Through Depreciation | No |
| QBI (199A) Deduction Eligible | Yes ² |
| Tax Reporting Method | 1099-DIV |
| Audited Financials | Yes; CohnReznick |
| Institutional Option | Yes |

For Accredited Investors Seeking

- Portfolio Diversification
- Consistent Monthly Returns
- Ongoing Liquidity with 90-Day Redemption Period
- Limited Volatility
- 1099-DIV Tax Reporting



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

*EDC: Excess Distributable Cash

1-Management fee rebates of 0.5% on invested capital for >\$1MM investment and 1% for >\$10MM investment (per account, per fund, based on a minimum annual investment balance - per calendar year)

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

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