5TH ANNUAL

# Innovative ALTERNATIVE INVESTMENT STRATEGIES

Using Non-Correlated Assets To Diversify and Improve Alpha

## Understanding Real Estate Alternatives

MODERATOR

**Jeff Schlegel**
**Senior Editor**
*Financial Advisor* & *Private Wealth* Magazines

PANELISTS

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CEO
*Dividend Capital Diversified Property Fund*

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# Important Risk Factors

*This material must be read in conjunction with the Dividend Capital Diversified Property Fund, or DPF, prospectus in order to understand fully all of the implications and risks of the offering of securities to which it relates. This document must be preceded or accompanied by a prospectus, which contains important information about Dividend Capital Diversified Property Fund. This is neither an offer to sell nor a solicitation of an offer to buy the securities described in the Dividend Capital Diversified Property Fund prospectus. The offering is being made only by the Dividend Capital Diversified Property Fund prospectus. Neither the Securities and Exchange Commission nor any other state securities regulator has approved or disapproved of the securities or determined if the prospectus is truthful or complete. In addition, the Attorney General of the State of New York has not passed on or endorsed the merits of the offering. Any representation to the contrary is unlawful. Specific properties depicted are owned by Dividend Capital Diversified Property Fund.*

*Forward-Looking Statements*

*This presentation includes "forward-looking statements" regarding changes to Dividend Capital Diversified Property Fund and resulting impacts for investors. These statements are based on certain assumptions and analyses made by the company in light of the company's experience and the company's perception of current conditions, expected future developments and other factors the company believes are appropriate. Such statements are subject to a number of assumptions, risks and uncertainties. Readers are cautioned not to place undue reliance on these forward-looking statements. Among the factors that may cause the company's results to vary are general economic and business (particularly real estate and capital market) conditions being less favorable than expected, changes in laws or regulations (including changes to laws governing the taxation of REITs), failing to meet capital raising goals and other factors, many of which are beyond the company's control. More specifically, we can provide no assurances that the company's offering will produce its intended results. Except as required by applicable securities laws, the company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of future events, new information or otherwise.*

- *Past performance is not a guarantee of future results.*
- *Investing in real estate assets entails certain risks, including changes in: the economy, supply and demand, laws, tenant turnover, interest rates (including periods of high interest rates), availability of mortgage funds, operating expenses and cost of insurance. This investment will offer limited liquidity options to investors.*
- *Further, investing in Dividend Capital Diversified Property Fund stock involves additional and substantial risks specific to Dividend Capital Diversified Property Fund, including, among others, that:*
    - *i. There is no public trading market for shares of DPF's common stock, and DPF does not expect that there will ever be a public trading market for its shares, so redemption of shares by them will likely be the only way to dispose of your shares.*
    - *ii. With respect to each of DPF's Class A, Class W and Class I common stock, its share redemption program generally imposes a quarterly cap on net redemptions of up to 5% of the NAV of such class as of the last day of the previous quarter. DPF may also amend, suspend or terminate its share redemption program at any time. As a result, DPF's shares have only limited liquidity and may become illiquid. A portion of the proceeds received in the public offering of Class A, Class W and Class I shares is intended to be used to redeem Class E shares, which will reduce the net proceeds available to retire debt or acquire additional properties, which may reduce its liquidity and profitability.*

iii. The purchase and redemption price for shares of DPF's common stock will be based on the NAV of each class of common stock and will not be based on any public trading market. DPF's NAV will not represent DPF's enterprise value and may not accurately reflect the actual prices at which DPF's assets could be liquidated on any given day. The board of directors may amend DPF's NAV procedures from time to time.

iv. Some of DPF's executive officers and directors and other key personnel are also officers, directors, managers, key personnel and/or holders of an ownership interest in its advisor, its dealer manager, its property manager and/or other entities related to its advisor. As a result, they face conflicts of interest, including but not limited to conflicts arising from time constraints, allocation of investment opportunities and the fact that the fees its advisor will receive for services rendered to DPF will be based on DPF's NAV, the procedures for which its advisor will assist its board of directors in developing, overseeing, implementing and coordinating.

v. If DPF fails to maintain its status as a REIT, it would adversely affect its results of operations and its ability to make distributions to its stockholders.

vi. The amount of distributions DPF may make is uncertain. DPF has paid, and may continue to pay in the future, distributions from sources other than cash flow from operations. The sources from which DPF may pay distributions include, without limitation, the sale of assets, borrowings or offering proceeds (including the return of principle amounts invested). The use of these sources for distributions decreases the amount of cash DPF has available for new investments, repayment of debt, share redemptions and other corporate purposes, and could reduce your overall return. Prior to 2012, DPF's distributions have historically exceeded its cash flow from operations. However, for the years ended December 31, 2012, December 31, 2013 and for the three months ended March 31, 2014, distributions were funded solely from cash flow from operations.

vii. DPF's use of leverage increases the risk of loss on its investments.

viii. The payment of fees by DPF to its advisor, its property manager and its dealer manager will reduce the cash available for distribution and will increase the likelihood that investors are unable to recover the amount of their investment in DPF.

ix. In connection with DPF's offering, it incurs fees and expenses. In particular, DPF expects to incur a dealer manager and distribution fee which are expected to reduce the amount of distributions received by certain investors and as a result will lower the overall return to such investors. Also, DPF has and expects to continue to incur organizational and offering related expenses which reduce the overall cash flow of DPF and negatively impact its NAV and could negatively impact your overall return.

*Dividend Capital Diversified Fund Inc. is an externally managed real estate investment trust, or REIT, that invests in a diverse portfolio of real properties and real estate-related debt and securities. DPF is managed by Dividend Capital Total Advisors, LLC and is not a mutual fund nor is it currently registered or intends to register as an investment company under the Investment Company Act of 1940, as amended.*

**NOT A DEPOSIT | NOT FDIC INSURED | NOT GUARANTEED BY THE BANK | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY**

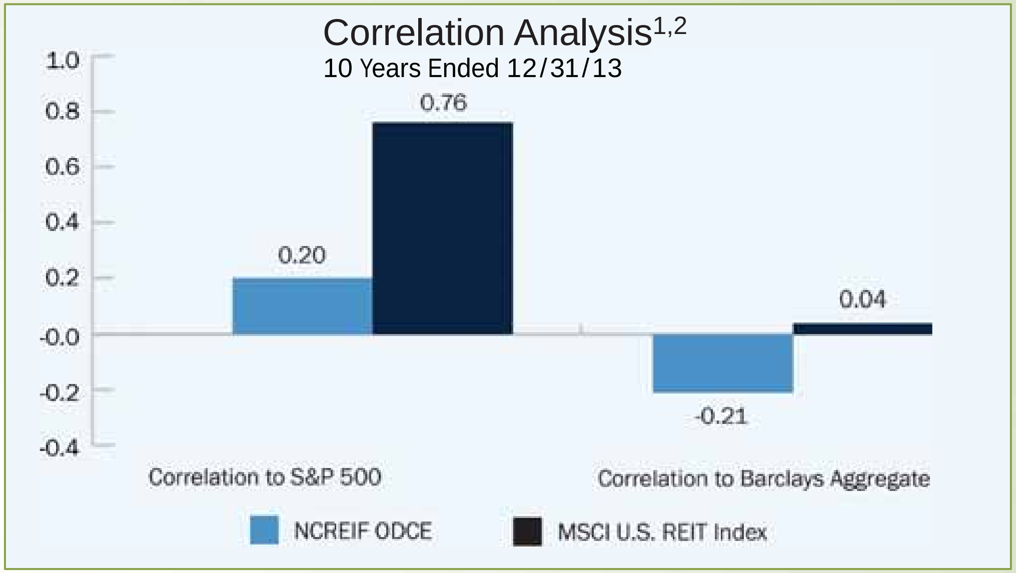
FA FINANCIAL ADVISOR

Private Wealth

# Benefits of an Investment in Real Estate

A real estate investment that is priced based on NAV could provide the diversification investors seek from alternatives.

| | NAV-Based Real Estate Investments | Exchange-Based Real Estate Investments |
|---|---|---|
| **Traditional Vehicles** | Private Equity Funds (e.g., NCREIF ODCE) Core/Core Plus Real Estate, Institutional Funds | Open-End Private Equity Fund, Publicly Traded REITs |




**The performance shown above should not be viewed as representative of the past or future performance of an investment in DPF, which depend on the performance of DPF's specific investments (including both real estate and real estate-related assets), leverage, fees and expenses, among other factors.**

[1] *Source: Bloomberg. The S&P 500 Index is an unmanaged index of the 500 largest stocks (in terms of market value), weighted by market capitalization and considered representative of the broad stock market. The Barclays Capital Aggregate Bond Index is an index of securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. The MSCI U.S. REIT Index is a free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI U.S. Investable Market 2500 Index (which are all listed REITs), with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the U.S. REIT universe. The NCREIF Open-End Diversified Core (ODCE) Index is an equal weighted, time weighted index of open-end core real estate funds reported net of fees. The term core typically reflects lower risk investment strategies, utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. Funds are weighted equally, regardless of size. While funds used in this benchmark have characteristics that differ from DPF (including differing management fees), our management feels that the NCREIF ODCE Index is an appropriate and accepted index for the purpose of evaluating returns on investments in direct real estate funds. Investors cannot invest in this index. Comparisons shown are for illustrative purposes only and do not represent specific investments. Prices and income returns are derived based on data provided by NCREIF. Past performance does not guarantee future results. DPF has the ability to utilize higher leverage than is allowed for the funds in the NCREIF ODCE Index, which could increase DPF's volatility relative to the Index. Total returns presented assume reinvestment of distributions.*

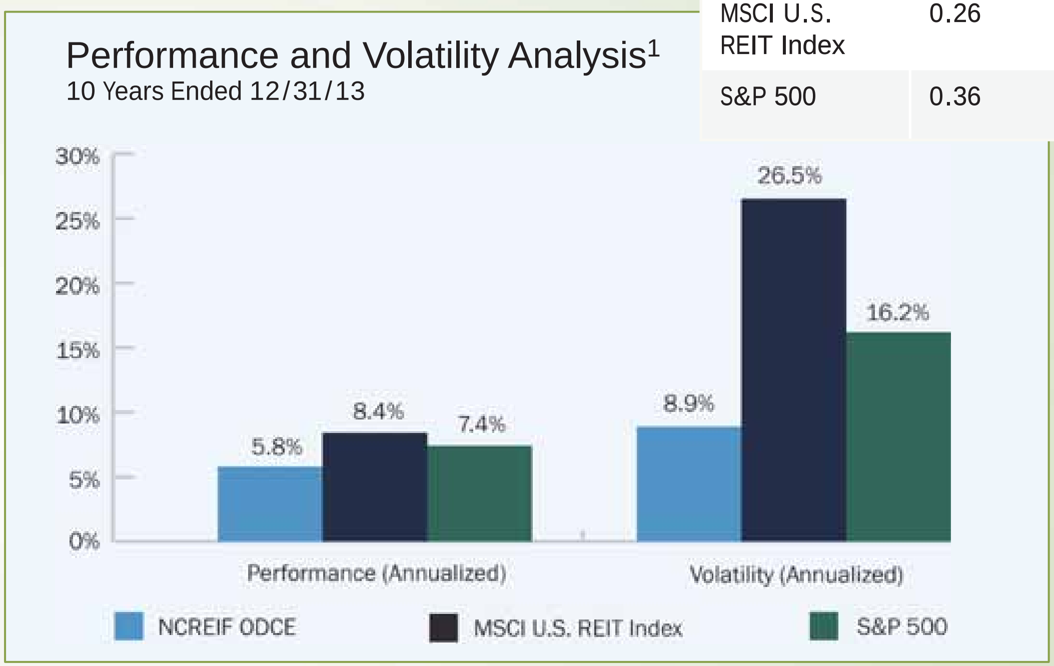
[2] *Correlation measures how one investment performs in relation to another, with a coefficient of +1 being a perfect, positive correlation and a coefficient of -1 being a perfect, negative correlation. When two asset classes have a correlation of +1, they will both move up or down by the same amount in the same direction. Conversely, a correlation of -1 indicates that when one asset class moves up or down, the other moves in the opposite direction by the same amount. In general, asset classes with a correlation less than 0.70 or greater than -0.70 are considered to have relatively low correlation.*

# Benefits of an Investment in Real Estate

A real estate investment that is priced based on NAV could provide the volatility reduction investors seek from alternatives.

| | NAV-Based Real Estate Investments | Exchange-Based Real Estate Investments |
|---|---|---|
| **Traditional Vehicles** | Private Equity Funds (e.g., NCREIF ODCE) Core/Core Plus Real Estate, Institutional Funds | Open-End Private Equity Fund, Publicly Traded REITs |

| **Sharpe Ratio[1]** | |
|---|---|
| NCREIF ODCE | 0.47 |
| MSCI U.S. REIT Index | 0.26 |
| S&P 500 | 0.36 |

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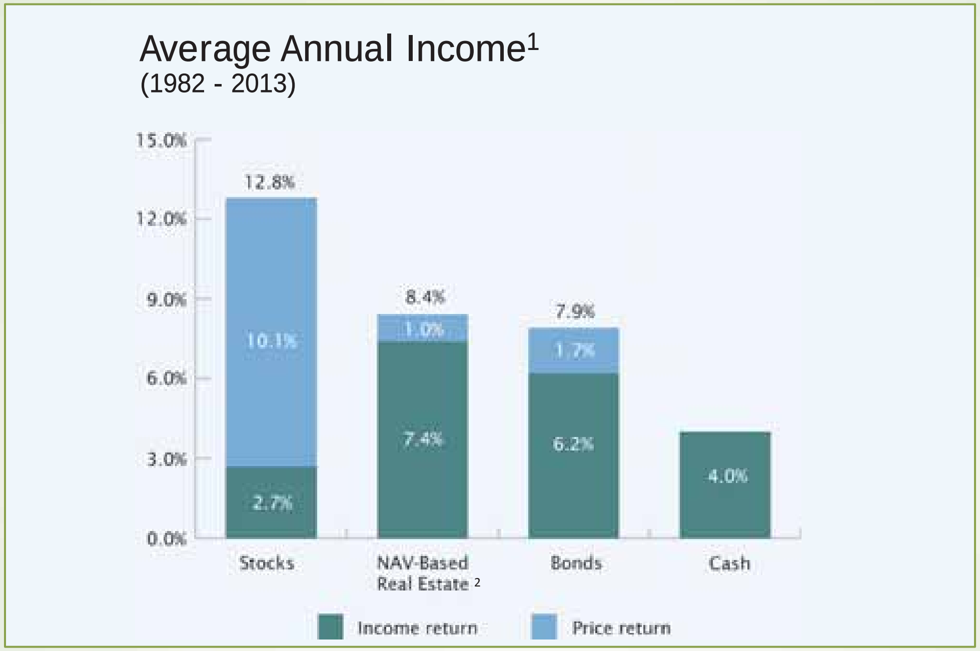
[1] *Source: Bloomberg. The S&P 500 Index is an unmanaged index of the 500 largest stocks (in terms of market value), weighted by market capitalization and considered representative of the broad stock market. The Barclays Capital Aggregate Bond Index is an index of securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. The MSCI U.S. REIT Index is a free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI U.S. Investable Market 2500 Index (which are all listed REITs), with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the U.S. REIT universe. The NCREIF Open-End Diversified Core (ODCE) Index is an equal weighted, time weighted index of open-end core real estate funds reported net of fees. The term core typically reflects lower risk investment strategies, utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. Funds are weighted equally, regardless of size. While funds used in this benchmark have characteristics that differ from DPF (including differing management fees), our management feels that the NCREIF ODCE Index is an appropriate and accepted index for the purpose of evaluating returns on investments in direct real estate funds. Investors cannot invest in this index. Comparisons shown are for illustrative purposes only and do not represent specific investments. Prices and income returns are derived based on data provided by NCREIF. Past performance does not guarantee future results. DPF has the ability to utilize higher leverage than is allowed for the funds in the NCREIF ODCE Index, which could increase DPF's volatility relative to the Index. Total returns presented assume reinvestment of distributions. The Sharpe ratio is calculated by subtracting the risk-free rate — such as that of the 10-year U.S. Treasury bond — from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.*

# Benefits of an Investment in Real Estate

A real estate investment that is priced based on NAV could provide the income investors seek from alternatives.




**The performance shown above should not be viewed as representative of the past or future performance of an investment in DPF, which depend on the performance of DPF's specific investments (including both real estate and real estate-related assets), leverage, fees and expenses, among other factors.**

[1] *Source: Standard & Poor's, Barclays, Bloomberg, NCREIF and Federal Reserve. Stocks are represented by the S&P 500 Index, an unmanaged index of the 500 largest stocks (in terms of market value), weighted by market capitalization and considered representative of the broad stock market. Bonds are represented by the Barclays Capital Aggregate Bond Index, an index of securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. Cash is the 90-day Treasury bill rate.*

[2] *NAV-based real estate is represented by the NCREIF Open-End Diversified Core (ODCE) Index, which is an equal weighted, time weighted index of open-end core real estate funds reported net of fees. The term core typically reflects lower risk investment strategies, utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties. Funds are weighted equally, regardless of size. While funds used in this benchmark have characteristics that differ from DPF (including differing management fees), our management feels that the NCREIF ODCE Index is an appropriate and accepted index for the purpose of evaluating returns on investments in direct real estate funds. Investors cannot invest in this index. Comparisons shown are for illustrative purposes only and do not represent specific investments. Prices and income returns are derived based on data provided by NCREIF. Past performance does not guarantee future results. DPF has the ability to utilize higher leverage than is allowed for the funds in the NCREIF ODCE Index, which could increase DPF's volatility relative to the Index.*

FA FINANCIAL ADVISOR
Private Wealth

# A New Class of REIT: Daily NAV REITs

- NAV calculated daily with use of third-party appraisals
- Daily NAV provides transparency
- Vs. ODCE Funds: Lower investment minimums[1]
- Vs. publicly traded REITs: Lower volatility[2] and lower correlated returns[3]

| | Publicly Traded REITs | Open-Ended Private Equity | Closed-End Private Equity | Daily NAV REITs |
|---|---|---|---|---|
| Low Correlation[3] | – | + | + | + |
| Lower Volatility[2] | – | + | + | + |
| Low Investment Minimum[1] | + | – | – | + |
| Transparency | + | – | – | + |
| Public Reporting | + | – | – | + |
| Perpetual Life | + | + | – | + |
| All Cycle Value Investor | + | + | – | + |
| Liquidity with Daily Redemptions[4] | + | – | – | + |

## Currently Five Daily NAV REITs[5]

| | Portfolio Status |
|---|---|
| Diversified Property Fund | $2.4 billion portfolio |
| Jones Lang LaSalle Income Property Trust | $774 million portfolio |
| Cole Real Estate Income Strategy | $103 million portfolio |
| RREEF Property Trust | Blind pool[6] |
| ARC Daily Net Asset Value Trust | Blind pool[6] |

1 The minimum investment for DPF is $2,000 ($2,500 in New York, North Dakota and Tennessee).

2 DPF's share price is subject to less volatility because its per share NAV is based on the value of the real estate assets it owns and is not subject to market pricing forces as is the share price of publicly traded REITs. Although DPF's share price is subject to less volatility, DPF shares are significantly less liquid than shares of a publicly traded REIT, and are not immune to fluctuations, including downward fluctuations.

3 Sources: Bloomberg and NCREIF, December 2013. Correlation measures how one investment performs in relation to another, with a coefficient of +1 being a perfect, positive correlation and a coefficient of -1 being a perfect, negative correlation. When two asset classes have a correlation of +1, they will both move up or down by the same amount in the same direction. Conversely, a correlation of -1 indicates that when one asset class moves up or down, the other moves in the opposite direction by the same amount. In general, asset classes with a correlation less than 0.70 or greater than -0.70 are considered to have relatively low correlation. Research indicates that investments in non-traded REITs and private real estate funds have a relatively low correlation with other asset classes, such as investments in the publicly traded securities of listed REITs and other companies, and may help reduce the volatility of a stock-and-bond portfolio.

4 Daily NAV REITs have the potential for daily liquidity. DPF's shares are significantly less liquid than the shares of publicly traded REITs. DPF's ability to fulfill redemption requests under its share redemption program on a daily basis is subject to a number of limitations. DPF's Board of Directors has the ability to amend, suspend or terminate the share redemption program at any time. As a result, DPF's shares have only limited liquidity and may become illiquid at any time. Generally, DPF's Class A, Class I and Class W share redemption program imposes a quarterly cap on net redemptions of each of DPF's Class A, Class I and Class W shares equal to the amount of shares of such class with an aggregate value (based on the redemption price per share on the day the redemption is effected) of up to 5% of the NAV of such class as of the last day of the previous calendar quarter. For each quarter of 2013, 2012 and 2011, DPF received Class E redemption requests that exceeded its corresponding Redemption Caps. Based on the application of such Redemption Caps, DPF redeemed, on a pro rata basis, a percentage of the shares requested to be redeemed for each quarter. The percentage redeemed, including redemptions for death and disability, for each quarter ranged from approximately 6.4% to 26.1% of the shares that each stockholder requested to be redeemed. DPF shares redeemed within 365 days of purchase are subject to a 2% discount, subject to certain limited exceptions.

5 Sources: Blue Vault, MTS, Stanger.

6 Under $100 million in assets.

# Consistency with Low Volatility

**Performance**

DPF I-Share, iShare Dow Jones U.S. Real Estate Index Fund (IYR) & 10-Year Treasury Returns[1] | As of 06/30/14

Range 09/28/2012 - 06/30/2014 Period Daily No. of Period 640 Day(s)

| | Security | Currency | Price Change | Total Return | Difference | Annual Eq |
|---|---|---|---|---|---|---|
| 1. | ZDPFIX US Equity | USD | 5.42% | 15.05% | -4.36% | 8.32% |
| 2. | IYR US Equity | USD | 11.51% | 19.41% | | 10.64% |
| 3. | TY1 Comdty | | -6.23% | -6.23% | -25.63% | -3.60% |


[1] Source: Bloomberg. In the chart above, "ZDPFIX US Equity" represents the NAV of DPF's Class I shares. "IYR US Equity" represents the iShare Dow Jones U.S. Real Estate Index Fund (IYR) which is a fund that seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the real estate sector of the U.S. equity market, as represented by the Dow Jones U.S. Real Estate Index. The index measures the performance of the real estate industry of the equity market, including real estate holding and developing and real estate investments trusts (REITs) subsectors. The index is capitalization weighted and component companies are adjusted for available float and must meet objective criteria for inclusion in the index. Transaction costs may apply. Price and distributions are derived based on data provided by iShares. The 10-Year Treasury represents a marketable, fixed-interest U.S. government debt security with a maturity of more than 10 years. The 10-Year Treasury is used as a benchmark for the long-term bond market. Past performance does not guarantee future results. The purpose of this presentation of returns comparing the IYR and DPF is only to highlight the difference in volatility primarily due to market exposure between the IYR (which we believe is a good representation of the listed REIT market) and DPF which is a daily priced unlisted REIT. The listed REITs in which the IYR invests may differ in size, corporate balance sheet structure and overall real estate exposure as compared to DPF and, as such, this comparison may not be an exact representation of market exposure alone. In addition, while the volatility of the IYR and DPF may differ greatly over the time period shown, DPF should be viewed as a long-term investment and, as such, any short-term volatility differences between the IYR and DPF should not be the sole reason to make an investment decision. There are other features of the REITs in which the IYR invests that may differ from DPF, such as investment objectives, costs and expenses to purchase and liquidity. DPF shares are not listed on an exchange and redemption by DPF is likely the only way for investors to dispose of shares. DPF's share redemption program is subject to significant limitations as described in the risk factors included at the beginning of this presentation. Past performance is not an indication of future gains and while we believe the volatility shown is representative of market volatility, this in no way means that DPF will not experience similar volatility in its NAV in the future. Total returns of IYR and DPF presented assume reinvestment of distributions. Performance data quoted above is historical. Current performance may be higher or lower than the performance data quoted. Performance does not include transactions fees, including sales commission, that may be applicable to you. The performance data does not reflect the deduction of taxes that a shareholder would pay on fund distributions or the sale of fund shares, as applicable.

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# INVESTMENT STRATEGY &
# COMMERCIAL REAL ESTATE OUTLOOK

- Kevin White, CFA, *SVP, Investment Strategy and Research*

- THE VIEWS EXPRESSED IN THIS PRESENTATION ARE THOSE OF THE PRESENTER AS OF THE DATE OF THE PRESENTATION AND ARE SUBJECT TO CHANGE. THE FORWARD-LOOKING STATEMENTS IN THIS PRESENTATION ARE BASED ON CURRENT EXPECTATIONS, ESTIMATES, FORECASTS AND PROJECTIONS, AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE EXPRESSED IN THESE FORWARD-LOOKING STATEMENTS, AND YOU SHOULD NOT PLACE UNDUE RELIANCE ON ANY SUCH STATEMENTS.

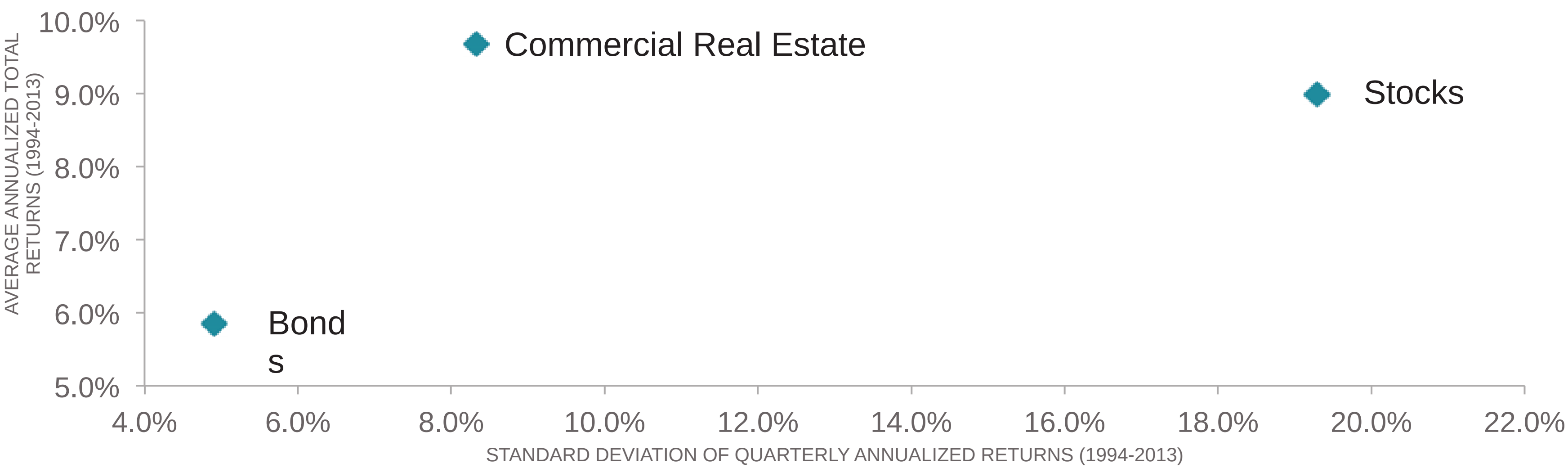
# COMMERCIAL CONSTRUCTION IS NEAR ITS LOWEST LEVEL IN DECADES


Source: Bureau of Economic Analysis
Data as of March 31, 2014. Includes commercial and health-care buildings.

# COMMERCIAL REAL ESTATE OFFERS YIELD, RELATIVE STABILITY, AND THE POTENTIAL TO HEDGE INFLATION

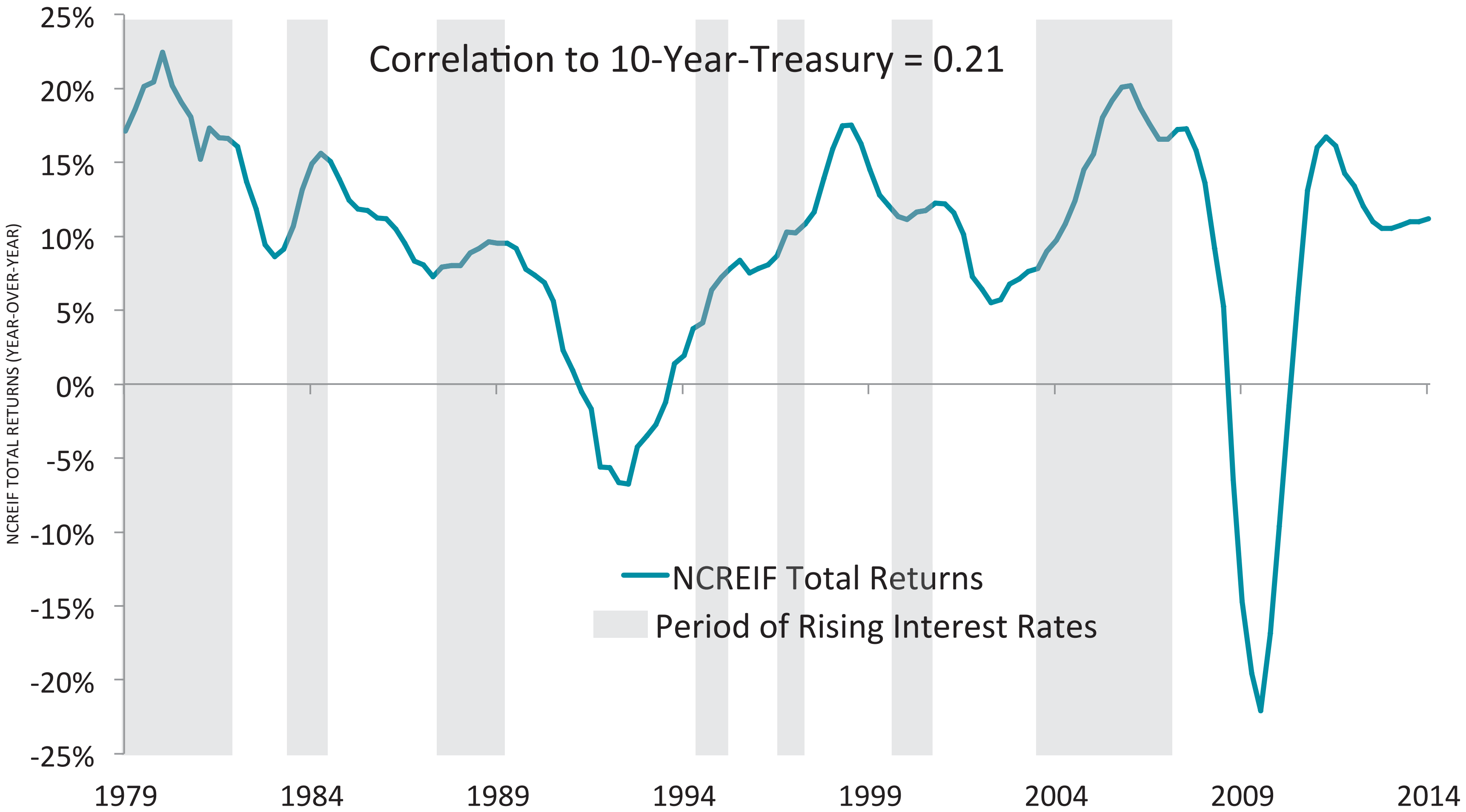
| | 2013 Average Income Yield | Historical Volatility (1994-2013) | Correlation With Inflation (1994-2013) |
|---|---|---|---|
| CRE | 5.8% | 8.3% | 0.58 |
| Bonds | 3.2% | 4.9% | 0.16 |
| Stocks | 2.0% | 19.3% | 0.01 |

**TOTAL RETURNS AND STANDARD DEVIATION OF RETURNS**




Sources: S&P 500 (Stocks); Barclays U.S. Aggregate (Bonds); NCREIF Property Index (Commercial Real Estate); average income yield = 2013 monthly average (stocks/bonds) and 2013 quarterly weighted average (commercial real estate)
Data as of December 31, 2013. **Past performance is no guarantee of future results.**

# HIGHER INTEREST RATES CORRELATED WITH HIGHER RETURNS

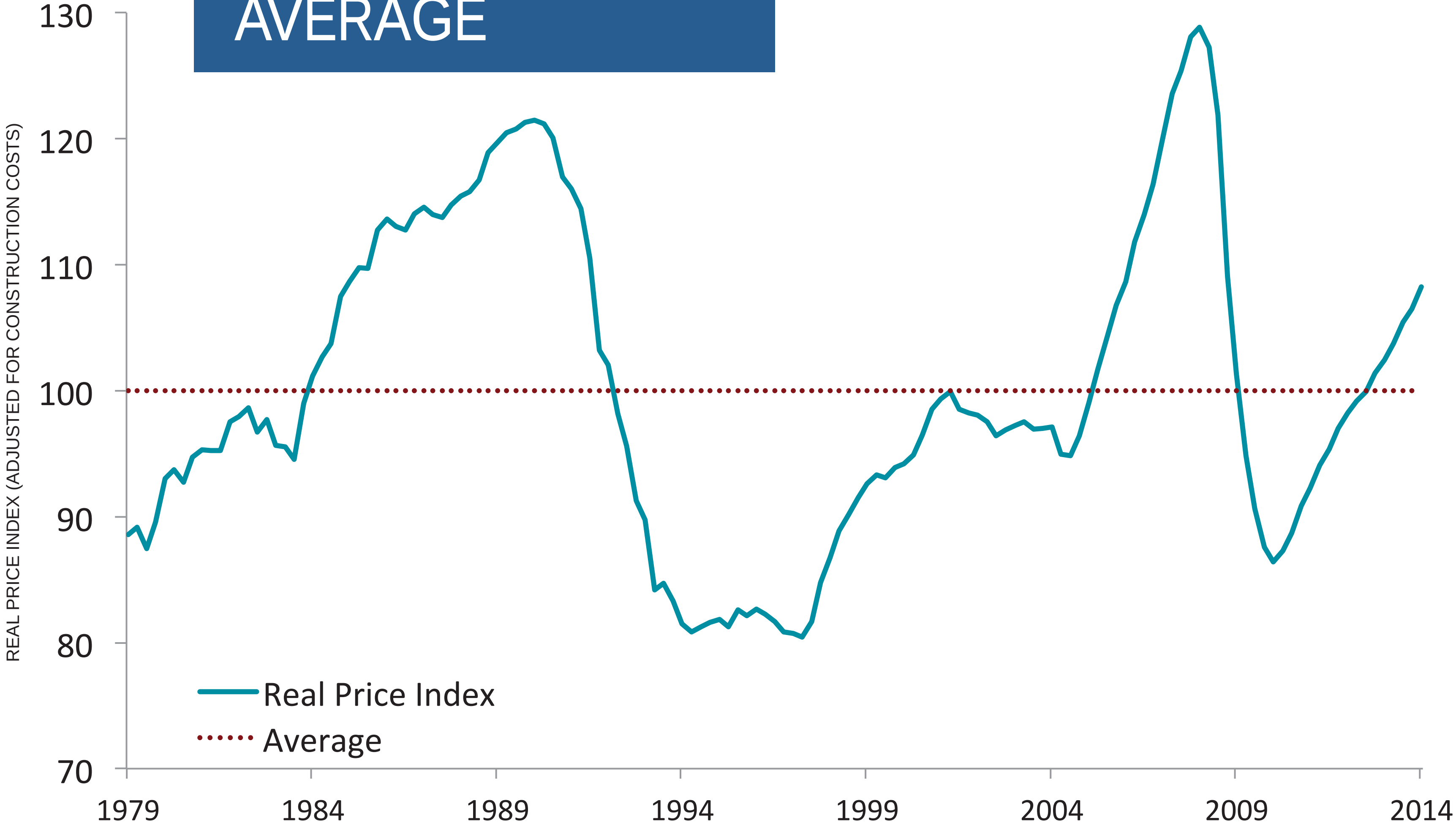



Sources: NCREIF (NCREIF Total Returns); Federal Reserve (10-Year Treasury)
Data as of March 31, 2014; Past performance is no guarantee of future results.

# E-COMMERCE IS, AS OF YET, ONLY A MINOR HEADWIND

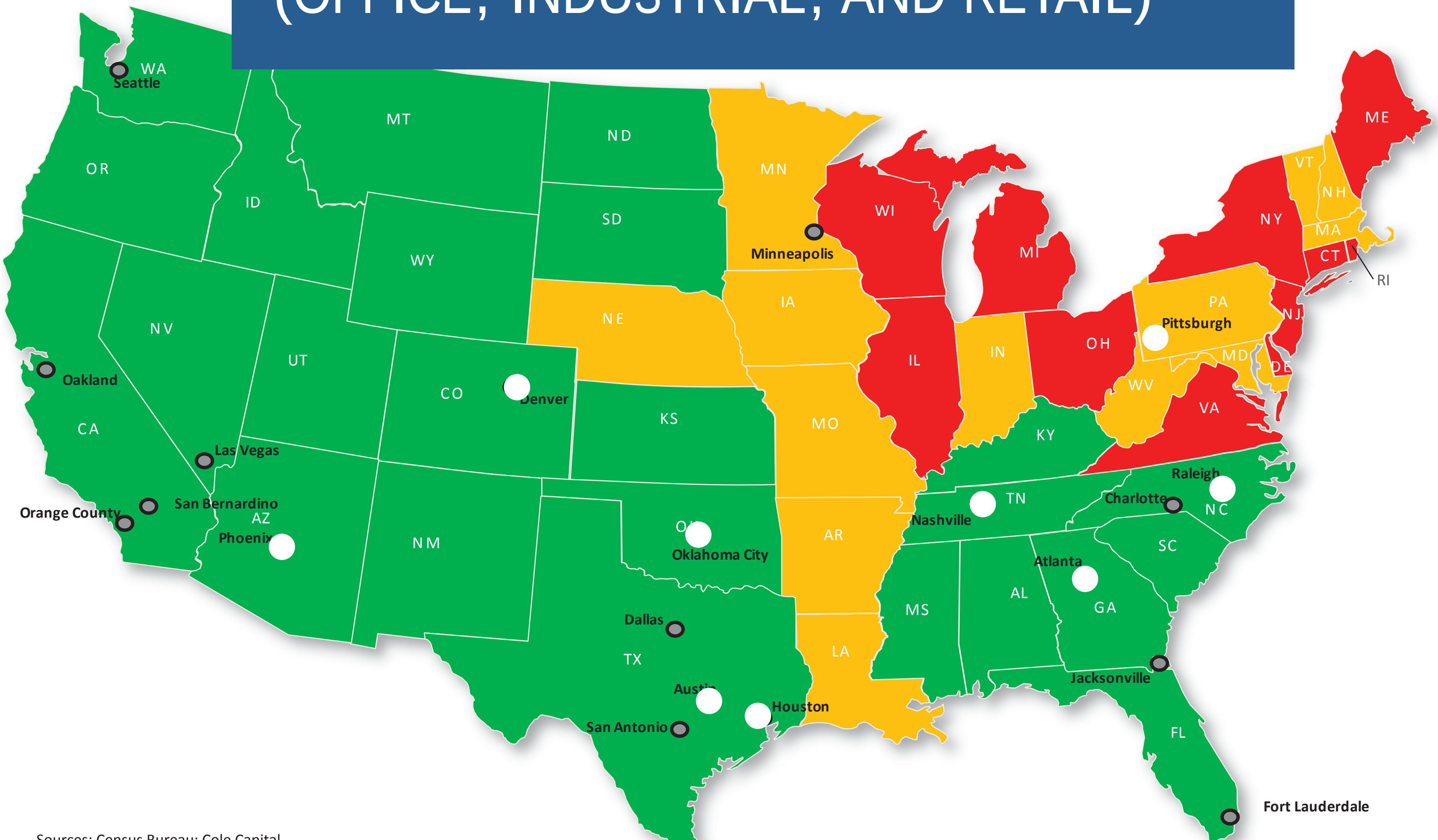

Source: U.S. Census Bureau
Data as of September 30, 2013

# REAL CRE PRICES ARE IN LINE WITH THEIR LONG-RUN AVERAGE




Sources: NCREIF (Price); Engineering News-Record (Construction Costs)
Data as of March 31, 2014.

# SECONDARY TECH, ENERGY, AND POPULATION-DRIVEN HOUSING MARKETS (OFFICE, INDUSTRIAL, AND RETAIL)




Sources: Census Bureau; Cole Capital

Data as of December 31, 2013. Areas in green are preferred, in red are disfavored, and in yellow are viewed with caution.

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