

DIVIDEND CAPITAL TRUST INC
Form POS AM
December 09, 2003

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As filed with the Securities and Exchange Commission on December 9, 2003

Registration No. 333-86234

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

POST EFFECTIVE AMENDMENT NO. 4

To

FORM S-11

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933, AS AMENDED

DIVIDEND CAPITAL TRUST INC.

(Exact Name of Registrant as Specified in Charter)

518 Seventeenth Street, Suite 1700

Denver, Colorado 80202

Telephone (303) 228-2200

(Address of Principal Executive Offices)

Evan Zucker

Chief Executive Officer

518 Seventeenth Street, Suite 1700

Denver, Colorado 80202

Telephone (303) 228-2200

(Name, Address and Telephone

Number of Agent for Service)

COPIES TO:

Robert E. King Jr., Esq.

Clifford Chance US LLP

200 Park Avenue

New York, New York 10166

Approximate date of commencement of proposed sale to the public:

As soon as practicable after the registration statement becomes effective.

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per Share	Proposed maximum aggregate offering price	Amount of Registration fee(1)
Common Stock, \$0.01 par value(2)	29,000,000	\$10.00	\$290,000,000	\$26,680
Common Stock, \$0.01 par value(3)	1,000,000	\$12.00	\$12,000,000	\$1,104
Soliciting Dealer Warrants(4)	1,000,000	\$.001	\$1,000	\$.10
Total			\$302,001,000	\$27,784.10

(1) Previously paid.

(2) Includes 4,000,000 shares issuable pursuant to the Company's dividend reinvestment plan.

(3) Represents shares issuable upon exercise of warrants to be issued to Dividend Capital Securities LLC or its assigns pursuant to the Warrant Purchase Agreement with the Registrant. Pursuant to Rule 416, includes such indeterminate number of additional shares of Common Stock as may be required for issuance on exercise of the Soliciting Dealer Warrants as a result of any adjustment in the number of shares of Common Stock issuable on such exercise by reason of the anti-dilution provisions of the Soliciting Dealer Warrants.

(4) Consists of warrants to purchase up to 1,000,000 shares pursuant to the Warrant Purchase Agreement.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

25,000,000 Shares

Common Stock

Dividend Capital Trust Inc. ("Dividend Capital Trust" or the "Company") was formed to invest in commercial real estate properties, consisting primarily of high-quality, generic distribution warehouses and light industrial properties net leased to creditworthy corporate tenants. We intend to qualify as a real estate investment trust ("REIT") for federal tax purposes commencing with our taxable year ending December 31, 2003. However, we have not yet qualified as a REIT. Dividend Capital Trust was formed as a Maryland corporation in April 2002.

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Of the 30,000,000 shares of common stock we have registered, we are offering 25,000,000 shares to the public on a best efforts basis at a price of \$10 per share. We are also offering up to 4,000,000 shares to participants in our distribution reinvestment plan and up to 1,000,000 shares upon the exercise of certain warrants that may be issued to broker-dealers participating in this offering. Subject to certain exceptions described in this prospectus, investors that want to participate in this offering must purchase a minimum of 200 shares for \$2,000.

Dividend Capital Advisors LLC (the "Advisor"), which is an affiliate of Dividend Capital Trust, will be responsible for managing our day-to-day activities under the terms and conditions of an advisory agreement (the "Advisory Agreement"). The Advisor is beneficially owned and controlled by three of our directors. See the "Conflicts of Interest" section of this prospectus for a discussion of the relationship between Dividend Capital Trust, our advisor and other of our affiliates.

See "Risk Factors" beginning on page 16 for a discussion of certain factors that you should consider before you invest in our common stock. In particular, you should carefully consider the following risks:

The Company has a limited operating history

There will not be a public trading market for the common stock; if you choose to sell your shares, you will likely receive less than \$10 per share

Reliance on the Advisor to select properties and conduct our operations

Payment of substantial fees to the Advisor and its affiliates

Borrowing which increases the risk of loss of our investments

Conflicts of interest between Dividend Capital Trust and certain affiliates which will be compensated for their services, including the Advisor, Dividend Capital Property Management LLC (the "Property Manager") and Dividend Capital Securities LLC (the "Dealer Manager")

Neither the Securities and Exchange Commission nor any other state securities regulator has approved or disapproved of these securities or determined if this 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 this offering. Any representation to the contrary is a criminal offense. The use of forecasts in this offering is prohibited. Any representation to the contrary and any predictions, written or oral, as to the amount or certainty of any present or future cash benefits or tax consequences which may flow from your investment is not permitted.

	Price to Public	Selling Commission(1)	Proceeds to the Company(2)
Per share	\$10	\$0.60	\$9.40
Total maximum (25,000,000 shares)	\$250,000,000	\$16,000,000	\$234,000,000

(1) We will pay a sales commission to participating broker-dealers of up to 6% of the future gross offering proceeds.

(2) Proceeds are calculated before deducting certain dealer manager fees and organization and offering expenses payable by us. We will pay a dealer manager fee payable to the Dealer Manager of up to 2% of future gross offering proceeds. We will reimburse the Advisor for organization and offering expenses in an amount up to 2% of future gross offering proceeds. Such fees and expenses are estimated to be approximately \$11,500,000 if 25,000,000 shares are sold. See "Management Management Compensation." We will also issue, for nominal consideration, soliciting dealer warrants to the Dealer Manager to purchase one share of common stock at a price of \$12 per share for each 25 shares sold in this offering. See the "Plan of Distribution" section of this prospectus for a complete description of

the amount and terms of such fees and expense reimbursement.

DIVIDEND CAPITAL SECURITIES LLC

The date of this prospectus is December 9, 2003

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QUESTIONS AND ANSWERS ABOUT THIS OFFERING

Set forth below are some of the more frequently asked questions and answers relating to an offering of this type. Please see the "Prospectus Summary" and the remainder of this prospectus for more detailed information about this offering.

Q:
What is a REIT?

A:
In general, a REIT is a company that:

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Pays dividends to investors of at least 90% of its taxable income for each year;

Avoids the federal "double taxation" treatment of income that generally results from investments in a corporation because a REIT is not generally subject to federal corporate income taxes on its net income, provided certain income tax requirements are satisfied;

Combines the capital of many investors to acquire or provide financing for real estate properties; and

Offers the benefit of a diversified real estate portfolio under professional management.

Q:
What is Dividend Capital Trust Inc.?

A:
Dividend Capital Trust was formed in April 2002 as a Maryland corporation to invest in commercial real estate properties consisting primarily of high-quality, generic distribution warehouses and light industrial properties net leased to creditworthy corporate tenants. These facilities will generally be located in the top 20% of the distributions and logistics markets in the United States. Dividend Capital Trust has not yet qualified as a REIT. However, we have operated and intend to continue to operate in a manner that will allow Dividend Capital Trust to qualify as a REIT under the Internal Revenue Code commencing with our taxable year ending December 31, 2003.

Q:
Who will choose which real estate properties to invest in?

A:
Dividend Capital Advisors LLC (the "Advisor") is our advisor and it makes recommendations on all property acquisitions to the board of directors. The board of directors may delegate to our investment committee, which is comprised of three directors two of which are independent directors, the ability to approve acquisitions of up to \$25 million. Acquisitions in excess of \$25 million must be approved by our board of directors, including a majority of the independent directors.

Q:
What is Dividend Capital Advisors?

A:
The Advisor was formed as a Colorado limited liability company in April, 2002. As of March 31, 2002, certain managers of the Advisor, directly or through affiliated entities, had sponsored one public REIT, American Real Estate Investment Corp. (now known as Keystone Property Trust, NYSE: KTR) which raised approximately \$93,230,000 of equity capital (including \$10,750,000 in its initial public offering and \$82,480,000 in connection with the acquisition of real estate) from more than 130 investors and 54 private real estate programs which had raised approximately \$174,437,000 of equity capital from approximately 415 investors. Collectively, the public and private programs sponsored by certain managers of the Advisor, as described above, purchased interests in 75 real estate projects having combined acquisition and development costs of approximately \$503,600,000. In addition, the Chief Investment Officer of the Advisor in his capacity as Co-Chairman and Chief Investment Officer of ProLogis Trust, the largest publicly-traded industrial REIT in the world, oversaw the growth in its asset base from its inception in 1992 to over \$2.6 billion in 1997.

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Q:
What are some of the risks and conflicts to investing in this offering?

A:
We have summarized certain risks in the "Risk Factors" section of this prospectus, which you should review carefully. We have also described certain conflicts in the "Conflicts of Interest" section of this prospectus. These risks and conflicts include, among others:

The Company has a limited operating history;

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There will not be a public market for your shares; should you choose to sell your shares it will likely be at a price which is less than \$10 per share;

Reliance on the Advisor and the board of directors for the selection of properties and the application of offering proceeds;

The timing and availability of cash distributions to our shareholders is uncertain;

We will be subject to the risks which are inherent in the ownership of real estate;

Failure to qualify as a REIT for federal income tax purposes could adversely affect our operations and our ability to make distributions to shareholders;

The Advisor will be subject to conflicts of interest in the allocation of both management time and real estate opportunities among Dividend Capital Trust and other entities affiliated with the Advisor; and

We will pay the Advisor and its affiliates significant fees. Certain fees, such as those relating to property acquisitions and asset management services, will be paid regardless of the quality of the properties acquired or the services provided.

Q:
What fees will Dividend Capital Trust incur?

A:
We will incur various fees and expenses in our organization and offering stage, our acquisition and development stage and our operating stage. In most cases, these fees will be paid to the Advisor or its affiliates, including the Dealer Manager and the Property Manager. These fees, which are discussed in detail in the "Management Management Compensation" section of this prospectus, consist of:

- (i) Sales commissions, dealer manager fees and reimbursement of offering expenses which in the aggregate may represent up to 10% of future gross offering proceeds;
- (ii) Acquisition fees which may represent up to 3% of the aggregate purchase price of properties we acquire up to an aggregate amount of \$170 million and up to 1.0% of the purchase price of all properties we acquire thereafter.
- (iii) Asset management fee of up to 0.75% annually of gross assets before non-cash revenues and depreciation, excluding the initial \$170 million of properties which were subject to the 3% acquisition fee;
- (iv) Property management and leasing fees which may equal up to 3% of the gross revenues of each property;
- (v) Initial lease-up fees for newly constructed properties; and
- (vi) Real estate commissions on property sales.

In addition to these fees, certain cash distributions may be made under certain circumstances to an affiliate of the Advisor in connection with the Special Units (as defined below).

Q:
Will the Advisor use any specific criteria when selecting a potential property acquisition?

A:

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Yes. The Advisor will generally seek to invest in properties that satisfy four primary objectives: (1) providing consistent quarterly dividend distributions to our shareholders with the potential to

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increase the dividend over time; (2) protecting our shareholders' capital contributions; (3) potential to realize capital appreciation upon the ultimate sale of our properties; and (4) having a high degree of liquidity, relative to other real estate assets, due to their attractiveness to the institutional market.

We will attempt to accomplish these objectives by acquiring primarily high-quality, generic distribution warehouses and light industrial properties generally located in the top 20% of U.S. industrial markets which are newly constructed, under construction, or which have been previously constructed and have operating histories. In general, national and regional companies utilize the space in these building types to store and ship product to their customers. In some cases, the buildings can be used for light manufacturing or assembly. The Advisor intends to generally focus on properties that have been leased or pre-leased on a net basis to one or more creditworthy corporate tenants.

Q:

Why do you plan on focusing your acquisitions on industrial properties?

A:

Ownership of industrial properties may have certain potential advantages. Industrial tenants tend to be more stable than tenants of residential or office properties, resulting in greater revenue stability. Because industrial properties are typically leased on a net basis, the owner has limited management responsibilities. The costs of capital improvements are also generally lower for industrial properties. Many industrial properties have a shorter development period than other real estate classes, allowing owners to respond more quickly to changes in demand.

Although we believe there may be certain advantages to investing in industrial properties, by focusing on industrial properties we will not have the advantage of a portfolio of properties that is diversified across different property types. As a result, we will be exposed to risks or trends that have a greater impact on the market for industrial properties. These risks or trends may include the movement of manufacturing facilities to foreign markets which have lower labor or production costs, changes in land use or zoning regulations which restrict the availability of suitable industrial properties and other economic trends or events which would cause industrial properties to under-perform other property types.

Q:

Why may you acquire certain properties in joint ventures?

A:

We may acquire some of our properties in joint ventures, some of which may be entered into with affiliates of the Advisor. Joint ventures may allow us to acquire an interest in a property without requiring that we fund the entire purchase price. In addition, certain properties may be available to us only through joint ventures. As a result, joint ventures may allow us to diversify our portfolio of properties in terms of geographic region, property type and industry group of our tenants.

Q:

What steps do you intend to take to make sure you purchase environmentally compliant property?

A:

We intend to obtain a new Phase I environmental assessment of each property purchased which, in addition to our internal review is also reviewed by our environmental legal counsel. In addition, we generally intend to obtain a representation from the seller that, to its knowledge, the property is not contaminated with hazardous materials. Although these steps may reduce certain environmental risks, Dividend Capital Trust may nevertheless be liable for the costs related to removal or redemption of hazardous materials found on any properties we acquire.

Q:

What are the proposed terms of the leases you expect to enter into?

A:

We will seek primarily to enter into "net" leases, the majority of which we expect will have five to ten year original lease terms, and many of which will have renewal options for additional periods. "Net" means that the tenant is responsible for repairs, maintenance, property taxes, utilities, insurance and other operating costs. We expect that the majority of our leases will provide that we, as

landlord, have responsibility for certain capital repairs or replacement of specific structural

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components of a property such as the roof of the building, the truck court and parking areas, as well as the interior floor or slab of the building.

Q:
How will Dividend Capital Trust own its real estate properties?

A:
We expect to own all of our real estate properties through an operating partnership called Dividend Capital Operating Partnership LP ("Dividend Capital OP") or subsidiaries of Dividend Capital OP. Dividend Capital OP has been organized to own and lease real properties on our behalf. Dividend Capital Trust is the sole general partner of Dividend Capital OP and Dividend Capital Trust, the Advisor and Dividend Capital Advisors Group LLC, the parent of the Advisor, are currently the only limited partners of Dividend Capital OP. Dividend Capital Trust has and will continue to contribute the net proceeds of the offering to Dividend Capital OP in return for Dividend Capital OP limited partnership interests. Dividend Capital OP will use these proceeds to acquire real estate properties. In addition, certain fractional interests in our properties are held in a taxable REIT subsidiary ("TRS") that is wholly owned by Dividend Capital OP. The TRS will be utilized in several transactions to facilitate the sale of Dividend Capital OP Units ("DCX Units").

Q:
What is an "UPREIT"?

A:
UPREIT stands for "Umbrella Partnership Real Estate Investment Trust". An UPREIT is a REIT that holds all or substantially all of its properties through a partnership in which the REIT holds an interest. We use this structure because a sale of property directly to the REIT is generally a taxable transaction to the selling property owner. In an UPREIT structure, a seller of a property who desires to defer taxable gain on the sale of his property may transfer the property to the partnership in exchange for limited partnership units in the partnership and defer taxation of gain until the seller later sells the partnership units or redeems his partnership units normally on a one-for-one basis for REIT common stock. If the REIT common stock is publicly traded, the former property owner will achieve liquidity for his investment. Using an UPREIT structure gives us an advantage in acquiring desired properties from persons who may not otherwise sell their properties because of unfavorable tax results.

Q:
If I buy common stock, will I receive distributions and how often?

A:
We intend on making distributions on a quarterly basis to our shareholders. The amount of each distribution will be determined by the board of directors and will typically depend on the amount of distributable funds, current and projected cash requirements, tax considerations and other factors. However, in order to remain qualified as a REIT, we must make distributions of at least 90% of our taxable income for each year.

Q:
How do you calculate the payment of dividends to shareholders?

A:
We will calculate our quarterly dividends using daily record and declaration dates so your dividend benefits will begin to accrue immediately upon becoming a shareholder.

Q:
May I reinvest the distributions I may receive in common stock of Dividend Capital Trust?

A:
Yes. You may participate in our distribution reinvestment plan by checking the appropriate box on the Subscription Agreement (see "Appendix B" of this prospectus) or by filling out an enrollment form we will provide to you at your request. As part of this offering we have registered 4,000,000 shares to be sold under the distribution reinvestment plan, which will be offered in the future at a discounted price equal to the current offering price per share less a 5% discount (currently \$9.50 per share) on the applicable distribution date. (See "Description of Securities Distribution Reinvestment Plan").

Q: **Will the distributions I receive be taxable as ordinary income?**

A: Yes and No. Generally, distributions that you receive, including distributions that are reinvested pursuant to our distribution reinvestment plan, will be taxed as ordinary income to the extent they are from current or accumulated earnings and profits. Although recently enacted tax legislation generally reduces the maximum tax rate for dividends payable by corporations to individuals to 15% through 2008, dividends payable by REITs generally continue to be taxed at the normal ordinary income rates applicable to the individual recipient, rather than the 15% preferential rate. We expect that some portion of your distributions may not be subject to tax in the year received due to the fact that depreciation expenses reduce earnings and profits but do not reduce cash available for distribution. Amounts distributed to you in excess of our earnings and profits will reduce the tax basis of your investment and distributions in excess of tax basis will be taxable as an amount realized from the sale of your shares of our common stock. This, in effect, would defer a portion of your taxes until your investment is sold or our assets are liquidated and the net proceeds are distributed to our investors, at which time you may be taxed at capital gains rates. However, because each investor's tax considerations are different, we suggest that you consult with your tax advisor. You should also review the section of this prospectus entitled "Federal Income Tax Considerations."

Q: **What will you do with the money raised in this offering?**

A: We will use the net offering proceeds to invest in commercial real estate consisting primarily of high quality, generic distribution warehouses and light industrial properties that are net leased to creditworthy corporate tenants. We intend to invest a minimum of 90.9% of future gross offering proceeds, including shares sold pursuant to our distribution reinvestment plan, to acquire such properties. The remainder of the future gross offering proceeds will be used to pay fees and expenses of this offering, which shall include sales commissions, dealer manager fees, reimbursement of offering expenses and acquisition fees in an aggregate amount of up to approximately 9.1% of future gross offering proceeds.

Q: **How will the payment of fees and expenses affect my invested capital?**

A: The payment of fees and expenses will reduce the funds available for investment in real estate. The payment of fees and expenses will also reduce the book value of your shares. However, your initial invested capital amount will remain \$10 per share, and your dividend yield will be based on your \$10 per share investment. Until we invest the proceeds of this offering in real estate, we may invest in short-term, highly liquid investments. These short-term investments may earn a lower return than we expect to earn on our real estate investments, and we cannot guarantee how long it will take to fully invest the proceeds in real estate.

Q: **What kind of offering is this?**

A: We are offering the public up to 25,000,000 shares of common stock on a "best efforts" basis. We have also registered 4,000,000 shares to be offered under our distribution reinvestment plan and 1,000,000 shares to be issued upon the exercise of warrants that may be issued to broker-dealers participating in this offering.

Q: **How does a "best efforts" offering work?**

A: When common stock is offered to the public on a "best efforts" basis, the brokers participating in the offering are only required to use their best efforts to sell the common stock. Brokers do not have a firm commitment or obligation to purchase any common stock.

Q:

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How long will this offering last?

A: The offering will not last beyond July 16, 2004 (two years from the date of our original prospectus) or until we sell all shares registered under this offering, whichever is sooner.

Q: Who can buy common stock?

A: You can buy common stock pursuant to this prospectus provided that you have either (1) a net worth of at least \$45,000 and an annual gross income of at least \$45,000, or (2) a net worth of at least \$150,000. For this purpose, net worth does not include your home, home furnishings and personal automobiles. These minimum levels may be higher in certain states, so you should carefully read the more detailed description in the "Suitability Standards" section of this prospectus.

Q: May persons affiliated with Dividend Capital Trust purchase common stock in this offering?

A: Yes. Officers and directors of Dividend Capital Trust, as well as officers and employees of the Advisor or other affiliated entities, may purchase common stock at a price of \$9.20 per share. The reduced offering price reflects an elimination of the \$.60 sales commission and the \$0.20 dealer manager fee that would otherwise be paid on each share. Notwithstanding this sale price, the net proceeds received by Dividend Capital Trust will be the same on all common stock sold in the offering.

Q: Is there any minimum investment required?

A: Yes. Generally, you must invest at least \$2,000. This minimum investment level may be higher in certain states, so you should carefully read the more detailed description of the minimum investment requirements appearing later in the "Suitability Standards" section of this prospectus.

Q: How do I subscribe for common stock?

A: If you choose to purchase common stock in this offering, you will need to complete a Subscription Agreement in the form attached to this prospectus as Appendix B for a specific number of shares. You must pay for the common stock at the time you subscribe. Offering proceeds will be released to us on an ongoing basis at the time we accept each Subscription Agreement.

Q: If I buy common stock in this offering, how may I later sell it?

A: At the time you purchase common stock, it will not be listed for trading on any national securities exchange or over-the-counter market. In fact, we believe it is unlikely that we would apply to have the common stock listed for trading in any public market for at least the first three years following the initial closing under this offering. After that time, we plan to consider opportunities to list our common stock for trading based on a number of factors, such as the public market for REITs generally, the amount of capital we have been able to raise and the economic performance of the properties we have acquired.

As discussed in the following paragraph, the absence of a public market may continue for an extended period of time after the initial closing under this offering. As a result, you may find it difficult to find a buyer for your shares and realize a return on your investment. You may sell your shares to any buyer unless such sale would cause any person or entity to directly or indirectly own more than 9.8% of the outstanding shares of any class or series of our stock or would violate the other restrictions imposed by our articles of incorporation on ownership and transfers of our common stock. (See "Description of Securities Restriction on Ownership of Common Stock").

In addition, after you have held your shares for at least one year, you may be able to have your shares repurchased by Dividend Capital Trust pursuant to our share redemption program. (See "Description of Securities Share Redemption Program"). If we have not listed the

common stock

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on a national securities exchange or over-the-counter market within 10 years after the initial closing under this offering, our articles of incorporation require us to begin selling our properties and other assets and to distribute the net proceeds to our shareholders.

Q:
What is the experience of your officers and directors?

A:
The key members of our management team are currently comprised of James R. Mulvihill, Thomas G. Wattles and Evan H. Zucker, each of whom is a director of Dividend Capital Trust as well as a manager of the Advisor. Since 1990, Messrs. Mulvihill and Zucker have directed the acquisition, development, financing and sale of approximately 75 real estate projects with an aggregate value in excess of \$503,000,000. See the "Management Directors and Executive Officers" section of this prospectus for a more detailed description of the background and experience of each of our officers and directors and the Prior Performance Tables which appear as Appendix A of this Prospectus for detailed information concerning real estate programs sponsored by managers of the Advisor. In addition, Mr. Wattles in his capacity as Co-Chairman and Chief Investment Officer of ProLogis Trust, the largest publicly-traded industrial REIT in the world, oversaw the growth in its asset base from its inception in 1992 to over \$2.6 billion in 1997.

Q:
Will I be notified of how my investment is doing?

A:
We will provide periodic updates on the performance of the Company in conjunction with our filings with the SEC including three quarterly filings and an annual filing. Additionally, we will provide, through our web-site and other media sources, periodic press releases describing the Company's significant developments, current period performance and current period earnings. We will provide these reports and press releases on our website at www.dividendcapital.com.

Q:
When will I get my detailed tax information?

A:
We intend to mail your Form 1099 tax information by January 31st of each year.

Q:
Who can help answer my questions?

A:
If you have more questions about the offering or if you would like additional copies of this prospectus, you should contact your registered representative or contact:

Mark Quam
Dividend Capital Securities LLC
518 17th Street, Suite 1700
Denver, Colorado 80202
Telephone: (303) 228-2200
Fax: (303) 228-2201

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This prospectus summary summarizes information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including the "Risk Factors" section.

Dividend Capital Trust Inc.

Dividend Capital Trust Inc. was formed to invest in commercial real estate properties, consisting primarily of high-quality, generic distribution warehouses and light industrial properties, net leased to creditworthy corporate tenants. These facilities will generally be located in the top 20% of the distribution and logistics markets in the United States. Our office is located at 518 17th Street, Suite 1700, Denver, Colorado 80202 and our telephone number is (303) 228-2200.

Dividend Capital Advisors LLC (the "Advisor") is responsible for managing our affairs on a day-to-day basis and for identifying and making acquisitions on our behalf. Our board of directors must approve each property acquisition proposed by the Advisor, as well as certain other matters set forth in our articles of incorporation. We have seven members on our board of directors. Four of our directors are independent of the Advisor and have responsibility for reviewing the performance of the Advisor. Our directors are elected annually by the shareholders.

Fee Reduction

A special meeting of shareholders was held on November 21, 2003 for shareholders of record as of October 16, 2003. The meeting was held to vote on proposed amendments to our articles of incorporation to, among other things, reduce the amount of fees paid to the Advisor and its affiliates and to implement an Asset Management fee payable to the Advisor. The proposed amendments were approved by a majority of the voting shareholders. As a result, effective upon the sale of \$100 million of gross offering proceeds, the dealer manager fee was reduced from 2.5% to 2.0%, commissions were reduced from 7% to 6% and the offering expense reimbursement to the Advisor was reduced from 3.0% to 2.0%. After we acquire at least \$170 million in properties the Acquisition Fee paid to the Advisor will be reduced from 3.0% to 1.0% of the purchase price of properties acquired thereafter. The properties that are assessed the 1.0% acquisition fee will also be subject to an Asset Management fee equal to 0.75% annually of the undepreciated value of those properties.

Our REIT Status

We intend to qualify as a real estate investment trust ("REIT") under federal tax laws commencing with our taxable year ending December 31, 2003. As a REIT, we generally will not be subject to federal income tax on income that we distribute to our shareholders. Under the Internal Revenue Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute at least 90% of their taxable income. If we fail to qualify for taxation as a REIT in any year, our income will be taxed at regular corporate rates, we will not be allowed a deduction for distributions to our shareholders in computing our taxable income and we may be precluded from qualifying for treatment as a REIT for the four-year period following the year of our failure to qualify. Even if we qualify as a REIT for federal income tax purposes, we may still be subject to state and local taxes on our income and property and to federal income and excise taxes on our undistributed income.

Summary Risk Factors

Following are the most significant risks relating to your investment:

There is no public trading market for the common stock, and we cannot assure you that one will ever develop. Until the common stock is publicly traded, you will have a difficult time selling your shares. The absence of a public market increases the likelihood that a sale of common stock could occur at a loss.

We have a limited history of operations and a limited portfolio of properties which you are able to evaluate in making a decision to purchase our common stock.

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We must rely on the Advisor for the day-to-day management of our business and the identification of real estate properties which we may acquire.

To ensure that we continue to qualify as a REIT, our articles of incorporation prohibit any person or entity from owning directly or indirectly more than 9.8% of the outstanding shares of any class or series of our stock. This may discourage or prevent a third party from acquiring Dividend Capital Trust on terms that might be favorable to our shareholders.

If for any reason we fail to qualify as a REIT for federal income tax purposes, we would be subject to tax on our income at corporate rates. That would reduce the amount of funds available for investment or distribution to our shareholders because of the additional tax liability for the years involved.

You will not have preemptive rights as a shareholder, so any common stock we issue in the future may dilute your interest in Dividend Capital Trust.

We will pay significant fees to the Advisor and its affiliates.

Real estate investments are subject to cyclical trends, which are beyond our control.

We may enter into certain transactions that could potentially impair our ability to dispose of or otherwise turn our investments into cash and could potentially subject the Company to additional liabilities.

Loans we obtain will be secured by some of our properties, which will put those properties at risk of forfeiture if we are unable to pay those loans.

Our investment in vacant land to be developed may create risks relating to the builder's ability to control construction costs, failure to perform or failure to build in conformity with plans, specifications and timetables.

If we do not obtain listing of the common stock on a national securities exchange or an over-the-counter market within ten years after our initial closing, our articles of incorporation require us to begin selling our properties and other assets and to distribute the net proceeds to our investors.

The Advisor will face various conflicts of interest resulting from its activities with affiliated entities.

Before you invest in Dividend Capital Trust, you should read the "Risk Factors" section of this prospectus.

Description of Properties

We invest in commercial real estate properties, consisting primarily of high-quality, generic distribution warehouses and light industrial buildings that are net leased to creditworthy corporate tenants. These facilities will generally be located in the top 20% of the distribution and logistics markets in the United States. Please see the "Real Estate Investments" section of this prospectus for a more complete description of the properties we have acquired.

Estimated Use of Proceeds of Offering

We intend to invest a minimum of 90.9% of future gross offering proceeds, including shares sold pursuant to our distribution reinvestment plan, to acquire properties. The remainder of the future gross offering proceeds will be used to pay fees and expenses of this offering, which shall include sales commissions, dealer manager fee, reimbursement of offering expenses and acquisition fees in an aggregate amount of up to 9.1% of future gross offering proceeds.

Investment Objectives

Our investment objectives are:

To pay consistent quarterly cash dividends to our investors and to increase our dividend over time;

To manage risk in order to preserve, protect and return our investors' capital contributions;

To realize capital appreciation upon our ultimate sale of our properties; and

To ultimately list our common stock on a national securities exchange or an over-the-counter market, complete a sale or merger of Dividend Capital Trust in a transaction which provides our investors with securities of a publicly-traded company. If we do not complete such a transaction or obtain such listing of the common stock within ten years after our initial closing, or provide another mechanism for liquidity, we must begin selling our properties and other assets and distribute the net proceeds to our investors.

We may only change these investment objectives upon a majority vote of our shareholders. See the "Investment Objectives and Criteria" section of this prospectus for a more complete description of our business and objectives.

Conflicts of Interest

The Advisor will experience conflicts of interest in connection with the management of our business affairs, including the following:

The managers of the Advisor will have to allocate their time between Dividend Capital Trust and other real estate projects and business activities in which they are involved;

The Advisor must determine whether any related entities should enter into joint ventures with Dividend Capital Trust for the acquisition and operation of specific properties. The terms of any joint ventures proposed by the Advisor may not be the result of arm's-length negotiations;

The Advisor will present to Dividend Capital Trust all investment opportunities which the Advisor determines are suitable for Dividend Capital Trust given our investment objectives and certain other considerations. Opportunities which the Advisor determines are not suitable for us may be pursued by affiliates of the Advisor. As a result, the Advisor may be subject to certain conflicts of interest in evaluating the suitability of investment opportunities and making recommendations to our board of directors;

The Advisor and its affiliates will receive distributions with respect to their limited partnership interests in Dividend Capital OP and fees in connection with transactions involving the purchase, management and sale of our properties regardless of the quality of the property acquired or the services provided to us; and

The Property Manager may perform certain property management and leasing services with respect to the properties which we acquire and the Dealer Manager will serve as the dealer manager of this offering. The Property Manager is presently beneficially owned and controlled by Messrs. Mulvihill, Blumberg, Wattles and Zucker, each of whom is a manager of the Advisor and each of whom, with the exception of Mr. Blumberg, is a

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director of Dividend Capital Trust. The Dealer Manager is beneficially owned by Mark Quam and Messrs. Mulvihill, Blumberg, Wattles and Zucker and is controlled by Mr. Quam. As a result, conflicts of interest may exist with respect to certain transactions between Dividend Capital Trust and the Property Manager and the Dealer Manager. See the "Management" and "Conflicts of Interest" sections of this prospectus for a more detailed discussion of these relationships and certain conflicts of interest.

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The following chart shows the ownership structure of the various Dividend Capital entities that are affiliated with the Advisor. Dividend Capital Securities Group LLLP, Dividend Capital Management Group LLC and Dividend Capital Advisors Group LLC are presently each 100% indirectly owned by John Blumberg, James Mulvihill, Thomas Wattles, Evan Zucker and Mark Quam. Dividend Capital Advisors Group LLC and Dividend Capital Management Group LLC may each issue their equity securities in the future to certain of their employees, consultants or other parties. However, any such transactions are not expected to result in a change in control of these entities.

The Advisor invested \$200,000 in Dividend Capital OP in exchange for a regular limited partner interest and Dividend Capital Trust has invested \$2,000 in Dividend Capital OP in exchange for an approximately 1% general partner interest. Dividend Capital Advisors Group LLC, the parent of the Advisor, has invested \$1,000 in Dividend Capital OP and has been issued limited partnership units of Dividend Capital OP which constitute the Special Units (as defined below). Except as described above, the Advisor, the Dealer Manager and the Property Manager do not have any ownership interests in Dividend Capital Trust or Dividend Capital OP.

Prior Offering Summary

Certain managers of the Advisor, directly or through affiliated entities, previously sponsored one publicly offered real estate investment trust in which they raised approximately \$93,230,000 of equity capital from more than 130 investors as well as 54 private real estate programs in which they raised approximately \$174,437,000 from approximately 415 investors. The "Prior Performance Summary" section of this prospectus and the Prior Performance Tables attached as Appendix A to this prospectus contain further information concerning the affiliated programs

sponsored to date.

The Offering

We are offering up to 25,000,000 shares to the public at \$10 per share. We are also offering up to 4,000,000 shares pursuant to our distribution reinvestment plan at an amount per share equal to the fair market value of the common stock on the applicable distribution date including applicable fees and commissions, and up to 1,000,000 shares to broker-dealers pursuant to warrants whereby participating broker-dealers will have the right to purchase one share for every 25 shares they sell in this offering. The exercise price for common stock purchased pursuant to the warrants is \$12 per share.

On February 10, 2003, the Company satisfied the minimum offering requirement established for its public offering by accepting subscriptions for at least 200,000 shares of common stock from at least 100 non-affiliated investors. At the initial closing under the public offering, approximately \$2,265,670 of gross proceeds was released from escrow to the Company and 226,567 shares of common stock were issued to investors. As of December 1, 2003, approximately 10,785,000 shares of common stock were outstanding representing approximately \$107,850,000 of gross proceeds.

Terms of the Offering

This offering will terminate on or before July 16, 2004 (two years after the date of our original prospectus). However, we may terminate this offering at any time prior to such termination date. Your investment proceeds will be released to us and available for the acquisition of properties or the payment of fees and expenses as soon as we accept your Subscription Agreement. We generally intend to continue to admit shareholders to Dividend Capital Trust on a daily basis.

Compensation to the Advisor

The Advisor and its affiliates will receive compensation and fees for services relating to this offering and the investment and management of our assets. In addition, Dividend Capital Advisors Group LLC, the parent of the Advisor, has been issued partnership units in Dividend Capital OP constituting a separate series of limited partnership interests with special distribution rights (the "Special Units"). The most significant items of compensation and the Special Units are as follows:

Offering Stage

Sales Commissions:	Up to 6.0% of future gross offering proceeds (all or substantially all of which we expect will be paid to participating broker-dealers).
Dealer Manager Fee:	Up to 2.0% of future gross offering proceeds.
Offering Expenses Reimbursement:	Up to 2.0% of future gross offering proceeds.

Acquisition and Development Stage

Acquisition Fees:	Up to 3% of the aggregate purchase price of all properties we acquire up to an aggregate amount of \$170 million and up to 1% of the purchase price of all properties acquired thereafter.
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Operational Stage

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Asset Management Fees:	Up to 0.75% annually of our gross assets before non-cash reserves and depreciation, excluding the initial \$170 million of aggregate assets subject to 3% acquisition fee.
Property Management Fees:	Up to the lesser of 3% of the gross revenues of our properties managed by the Property Manager or 0.6% of the net asset value of our properties managed by the Property Manager.
Initial Lease-Up Fee for Newly Constructed Property:	Competitive fee for geographic location of property based on a survey of brokers and agents (which may in certain markets be equal to the first month's rent).
Real Estate Commissions:	Up to the lesser of: 50% of the reasonable, customary and competitive commission paid for the sale of a comparable property or 3% of the contract price of each property sold. Payment of any Real Estate Commission is deferred until investors receive a return of capital plus a 7% cumulative non-compounded annual return on their net capital contributions.
Special Units:	<p>In general, the holder of the Special Units will be entitled to receive 15% of specified distributions made after other investors have received cumulative distributions equal to their capital contributions plus a 7% cumulative non-compounded annual return on their net contributions.</p> <p>More specifically, while the Special Units are outstanding, and after other partners have received cumulative distributions from all sources equal to their net capital contributions plus a 7% pre-tax cumulative non-compounded annual return on their contributions, the holder will receive 15% of net sales proceeds received by Dividend Capital OP on dispositions of Dividend Capital OP assets. Special Units will be redeemed for cash upon the earlier of the listing of our common stock or the occurrence of specified events that result in a termination or non-renewal of the Advisory Agreement for the amount that would have been distributed with respect to the Special Units in accordance with the preceding sentence if Dividend Capital OP sold all of its assets for their then fair market values, paid all of its liabilities and distributed any remaining amounts to partners in liquidation of Dividend Capital OP.</p> <p>Neither the Advisor nor any of its affiliates will be entitled to receive any other form of distribution or incentive compensation.</p>

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There are many conditions and restrictions on the amount of compensation the Advisor and its affiliates may receive. There are also some smaller items of expense reimbursements that the Advisor may receive. For a more detailed explanation of these fees and expenses payable to the Advisor and its affiliates, and for a more detailed discussion of the Special Units described above, please see the "Management Management Compensation" section of this prospectus.

Dividend Policy

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Dividend Capital Trust intends to qualify as a real estate investment trust for the year ending December 31, 2003. In order to remain qualified as a REIT, we are required to distribute 90% of our annual taxable income to our shareholders. We accrue and pay dividends on a quarterly basis. We will calculate our dividends based upon daily record and dividend declaration dates so investors will be entitled to earn dividends immediately upon purchasing common stock.

Listing

We presently intend to pursue the listing of our common stock on a national securities exchange or an over-the-counter market within ten years after our initial closing under this offering. In the event we do not obtain listing prior to that date, or we have not completed a sale or merger of Dividend Capital Trust in a transaction which provides our investors with securities of a publicly-traded company, our articles of incorporation require us to begin selling our properties and other assets and to distribute the net proceeds to our investors.

Distribution Reinvestment Plan

You may participate in our distribution reinvestment plan pursuant to which you may have the cash distributions you receive reinvested in common stock of Dividend Capital Trust at a discount purchase price equal to the current offering price of our common stock less 5% (currently \$9.50). If you participate, you will be taxed on an amount equal to the fair market value, on the relevant distribution date, of the shares of our common stock purchased with reinvested distributions even though you will not receive the cash from those distributions. As a result, you may have a tax liability without receiving cash to pay such liability. We may terminate the distribution reinvestment plan in our discretion at any time upon 10 days notice to you. Following any termination of the distribution reinvestment plan, all subsequent distributions to shareholders would be made in cash. Any such termination may limit our ability to fund the share redemptions discussed below. (See "Description of Securities Distribution Reinvestment Plan").

Share Redemption Program

We may use proceeds received from the sale of common stock pursuant to our distribution reinvestment plan to fund share redemptions. After you have held your shares for a minimum of one year, our share redemption program may provide a limited opportunity for you to redeem your shares, subject to certain restrictions and limitations. The amount received from the redemption of shares will be equal to the lesser of the price actually paid for the shares or the redemption price, which is dependent upon the number of years the shares are held as described in the following table:

Share Purchase Anniversary	Redemption Price Per Share
0-1	No Redemption Allowed
1	\$ 9.25
2	\$ 9.50
3	\$ 9.75
4	\$ 10.00

We currently expect that our distribution reinvestment plan will be the primary source of funds used to redeem common stock. The board of directors reserves the right to use other sources of funds

to redeem common stock, to reject any request for redemption of common stock for any reason or no reason or to amend or terminate the share redemption program at any time. You will have no right to request redemption of your shares after the common stock is listed on a national securities exchange or an over-the-counter market. (See "Description of Securities Share Redemption Program").

Dividend Capital Operating Partnership

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We intend to own all of our real estate properties through Dividend Capital OP or its subsidiaries. We are the sole general partner of Dividend Capital OP. Along with the Advisor and the parent of the Advisor, we are currently the only limited partners of Dividend Capital OP. Our ownership of properties in Dividend Capital OP allows us to acquire real estate properties in exchange for limited partnership units in Dividend Capital OP. This structure will also allow sellers of properties to transfer their properties to Dividend Capital OP in exchange for limited partnership units of Dividend Capital OP and defer recognition of taxable gain that would have been recognized if the properties had instead been sold to us. The holders of limited partnership units in Dividend Capital OP may have their units redeemed under certain circumstances. (See "The Partnership Agreement").

ERISA Considerations

The section of this prospectus entitled "ERISA Considerations" describes the effect the purchase of common stock will have on individual retirement accounts (IRAs) and retirement plans subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), and/or the Internal Revenue Code. ERISA is a federal law that regulates the operation of certain tax-advantaged retirement plans. Any retirement plan trustee or individual considering purchasing common stock for a retirement plan or an IRA should read this section of the prospectus very carefully.

Description of Securities

General

Your investment will be recorded on our books only. We will not issue stock certificates. If you wish to transfer your shares, you will be required to send an executed transfer form to us. We will provide the required form to you upon request.

Shareholder Voting Rights and Limitations

We will hold annual meetings of our shareholders for the purpose of electing our directors and conducting other business matters that may be presented at such meetings. We may also call a special meeting of shareholders from time to time for the purpose of conducting certain matters. You are entitled to one vote for each share you own at any of these meetings.

Restriction on Share Ownership

Our articles of incorporation contain a restriction on ownership of the common stock that prevents any person or entity from owning directly or indirectly more than 9.8% of the outstanding shares of any class or series of our stock. (See "Description of Securities Restriction on Ownership of Common Stock"). These restrictions, as well as other share ownership and transfer restrictions contained in our articles of incorporation, are designed to enable us to comply with share accumulation and other restrictions imposed on REITs by the Internal Revenue Code. For a more complete description of the common stock, including restrictions on the ownership of common stock, please see the "Description of Securities" section of this prospectus.

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RISK FACTORS

Your purchase of common stock involves a number of risks. In addition to other risks discussed in this prospectus, you should specifically consider the following:

Investment Risks

We have a limited operating history.

Dividend Capital Trust was formed in April 2002 in order to invest primarily in industrial real estate properties. We have a limited history of operations and a limited portfolio of properties which you are able to evaluate in making a decision to purchase our common stock.

There is no public trading market for your shares.

There is no current public market for the common stock and we have no obligation or immediate plans to apply for quotation or listing in any public securities market. Although in the future we will consider opportunities to establish a public market for our common stock, there can be no assurance that a public market will ever exist. It will therefore be very difficult for you to sell your shares promptly. Even if you are able to sell your shares, the absence of a public market may cause the price received for any common stock sold to be less than the proportionate value of the real estate we own. Therefore, you should purchase the common stock only as a long-term investment. (See the "Description of Securities Share Redemption Program" section of this prospectus).

We currently utilize the Advisor for selection of properties and we rely on our board of directors for ultimate approval of the investment of offering proceeds.

Our ability to pay dividends and achieve our other investment objectives is partially dependent upon the performance of the Advisor in the acquisition of real estate properties, the selection of tenants and the determination of any financing arrangements. Generally you will have a limited opportunity to evaluate the terms of proposed transactions or other economic or financial data concerning our proposed investments through supplements to this prospectus. Our board of directors, which must approve all property acquisitions, will have broad discretion to monitor the performance of the Advisor as well as to determine the manner in which the net offering proceeds are invested. Our board of directors may delegate to our investment committee, which is comprised of three directors two of which are independent directors, the authority to approve individual property acquisitions of up to \$25 million. All acquisitions in excess of \$25 million must be approved by our board of directors. As a result, you must rely on the Advisor to identify properties and propose transactions and you must rely on the board of directors to oversee and approve such transactions.

Dividends payable by REITs do not qualify for the reduced tax rates under recently enacted tax legislation.

Recently enacted tax legislation generally reduces the maximum tax rate for dividends payable to individuals to 15% through 2008. Dividends payable by REITs, however, generally continue to be taxed at the normal rate applicable to the individual recipient, rather than the preferential rates applicable to other dividends. Although this legislation does not adversely affect the taxation of REITs or dividends paid by REITs, the more favorable rates applicable to regular corporate dividends could cause investors who are individuals to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including our common stock.

We depend on key personnel.

Our success depends to a significant degree upon the continued contributions of certain key personnel, including James Mulvihill, Thomas Wattles and Evan Zucker, each of whom would be difficult to replace. We currently do not have key man life insurance on any person. If any of our key personnel were to cease employment with us, our operating results could suffer. We also believe that our future success depends, in large part, upon our ability to hire and retain highly skilled managerial, operational and marketing personnel. Competition for such personnel is intense, and we cannot assure you that we will be successful in attracting and retaining such skilled personnel.

The Advisor will face conflicts of interest relating to time management.

The Advisor presently has no other business activities, however, the Advisor is currently pursuing other business opportunities with third parties. Managers of the Advisor are currently engaged in other real estate activities, including acquisition and development of commercial and residential real estate in the United States and Mexico. We are not able to estimate the amount of time that managers of the Advisor will devote to our business. As a result, managers of the Advisor may have conflicts of interest in allocating their time between our business and these other activities. During times of intense activity in other programs and ventures, the time they devote to our business may decline and be less than we would require. We expect that as our real estate activities expand, the Advisor may attempt to hire additional employees who would devote substantially all of their time to the business of Dividend Capital Trust and its affiliates. However, there can be no assurance that the Advisor will devote adequate time to our business activities. See "Conflicts of Interest" section of this prospectus for a discussion of the other activities and real estate interests of the Advisor's affiliates.

The Advisor may face conflicts of interest relating to the purchase and leasing of properties.

We may be buying properties at the same time as other entities that are affiliated with the Advisor are buying properties. There is a risk that the Advisor will choose a property that provides lower returns to us than a property purchased by another entity affiliated with the Advisor. We

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may acquire properties in geographic areas where other affiliates of the Advisor own properties. If one of the entities affiliated with the Advisor attracts a tenant that we are competing for, we could suffer a loss of revenue due to delays in locating another suitable tenant. See the "Conflicts of Interest" section of this prospectus.

The Advisor will face conflicts of interest relating to joint ventures with affiliates.

We may enter into joint ventures with third parties, including entities that are affiliated with the Advisor, for the acquisition, development and improvement of properties. We may also purchase and develop properties in joint ventures or in partnerships, co-tenancies or other co-ownership arrangements with the sellers of the properties, affiliates of the sellers, developers or other persons. Such investments may involve risks not otherwise present with a direct investment in real estate, including, for example:

The possibility that our venture partner, co-tenant or partner in an investment might become bankrupt;

That such venture partner, co-tenant or partner may at any time have economic or business interests or goals which are or which become inconsistent with our business interests or goals; or

That such venture partner, co-tenant or partner may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives.

Actions by such a venture partner or co-tenant might have the result of subjecting the property to liabilities in excess of those contemplated and may have the effect of reducing your returns.

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Under certain joint venture arrangements, neither venture partner may have the power to control the venture, and an impasse could be reached, which might have a negative influence on the joint venture and decrease potential returns to you. In the event that a venture partner has a right of first refusal to buy out the other partner, it may be unable to finance such buy-out at that time. It may also be difficult for us to sell our interest in any such joint venture or partnership or as a co-tenant in property. In addition, to the extent that our venture partner or co-tenant is an affiliate of the Advisor, certain conflicts of interest will exist. (See "Conflicts of Interest Joint Ventures with Affiliates of the Advisor").

The Dealer Manager was recently formed and has not participated in similar offerings.

The Dealer Manager was recently formed and it has not participated in any other public or private securities offering. The Dealer Manager will attempt to enter into agreements with broker-dealers pursuant to which those firms will sell our common stock in this offering. Should the Dealer Manager be unable to establish a significant group of broker-dealers, then we may be unable to sell a significant number of shares. If we do not sell a significant number of shares then we will likely acquire a limited number of properties and will not achieve significant diversification of our property holdings. Because the Dealer Manager has not participated in prior offerings, we are not able to evaluate its ability to manage this offering.

A limit on the number of shares a person may own may discourage a takeover or business combination.

Our articles of incorporation restrict direct or indirect ownership by one person or entity to no more than 9.8% of the outstanding shares of any class or series of our stock. This restriction may discourage a change of control of Dividend Capital Trust and may deter individuals or entities from making tender offers for common stock on terms that might be financially attractive to shareholders or which may cause a change in the management of Dividend Capital Trust. This ownership restriction may also prohibit business combinations that would have otherwise been approved by our board of directors and shareholders. (See "Description of Securities Restriction on Ownership of Common Stock").

You are limited in your ability to sell your shares pursuant to the share redemption program.

Our share redemption program may provide you with a limited opportunity to redeem your shares after you have held them for a period of one year. However, our share redemption program contains certain restrictions and limitations. Common stock may be redeemed on a first-come, first-served basis. Subject to funds being available, the number of shares redeemed during any calendar year will be limited to the lesser of (1) three percent (3%) of the weighted average number of shares outstanding during the prior calendar year, and (2) that number of shares we can redeem with the proceeds we receive from the sale of common stock under our distribution reinvestment plan. In addition, our

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board of directors reserves the right to use other sources of funds to redeem common stock, to reject any request for any reason or no reason for redemption or to amend or terminate the share redemption program at any time. Therefore, in making a decision to purchase common stock of Dividend Capital Trust, you should not assume that you will be able to sell any of your shares back to us pursuant to our share redemption program. (See "Description of Securities Share Redemption Program").

We established the offering price on an arbitrary basis.

As of the commencement of this offering we had not acquired any properties or identified any properties for acquisition. As a result, our board of directors arbitrarily determined the selling price of the common stock and such price bears no relationship to property appraisals or to any established criteria for valuing issued or outstanding common stock.

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Your interest in Dividend Capital Trust may be diluted if we issue additional common stock.

Our shareholders do not have preemptive rights to any common stock issued by Dividend Capital Trust in the future. Therefore, in the event that we (1) sell common stock in the future, including those issued pursuant to the distribution reinvestment plan, (2) sell securities that are convertible into common stock, (3) issue common stock in a private offering to institutional investors, (4) issue shares of common stock upon the exercise of the options granted to our independent directors or employees of the Advisor and the Property Manager or the warrants to be issued to participating broker-dealers, or (5) issue common stock to sellers of properties acquired by us in connection with an exchange of limited partnership interests in Dividend Capital OP, existing shareholders and investors purchasing shares in this offering will experience dilution of their percentage ownership in Dividend Capital Trust. Depending on the terms of such transactions and the value of our properties, existing shareholders might also experience a dilution in the book value per share of their investment in Dividend Capital Trust.

Payment of fees to the Advisor and its affiliates will reduce cash available for investment and distribution.

The Advisor and its affiliates will perform services for us in connection with the offer and sale of the common stock, the selection and acquisition of our properties, and the management and leasing of our properties. They will be paid substantial fees for these services, which will reduce the amount of cash available for investment in properties or distribution to shareholders. (See "Management Management Compensation").

The availability and timing of cash dividends is uncertain.

We expect to pay quarterly dividends to our shareholders. However, we bear all expenses incurred in our operations, which are deducted from cash funds generated by operations prior to computing the amount of cash dividends to be distributed to our shareholders. In addition, our board of directors, in its discretion, may retain any portion of such funds for working capital. We cannot assure you that sufficient cash will be available to pay dividends to you. Should we fail for any reason to distribute at least 90% of our REIT taxable income, then we would not qualify for the favorable tax treatment accorded to REITs.

We are uncertain of our sources for funding our future capital needs.

Substantially all of the gross offering proceeds will be used for investment in properties and for payment of various fees and expenses. (See the "Estimated Use of Proceeds" section of this prospectus). In addition, we do not anticipate that we will maintain any permanent working capital reserves. Accordingly, in the event that we develop a need for additional capital in the future for the improvement of our properties or for any other reason, we cannot assure you that such sources of funding will be available to us.

Real Estate Risks

General Real Estate Risks

We will be subject to risks generally incident to the ownership of real estate, including:

Changes in general economic or local conditions;

Changes in supply of or demand for similar or competing properties in an area;

Bankruptcies, financial difficulties or lease defaults by our tenants;

Changes in interest rates and availability of permanent mortgage funds that may render the sale of a property difficult or unattractive or otherwise reduce the returns to shareholders;

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Changes in tax, real estate, environmental and zoning laws;

Changes in the cost or availability of insurance, including coverage for mold or asbestos;

Periods of high interest rates and tight money supply;

Tenant turnover; and

General overbuilding or excess supply in the market area.

For these and other reasons, we cannot assure you that we will be profitable or that we will realize growth in the value of our real estate properties.

A property that incurs a vacancy could be difficult to sell or re-lease.

A property may incur a vacancy either by the continued default of a tenant under its lease or the expiration of one of our leases. Certain of our properties may be specifically suited to the particular needs of a tenant. We may have difficulty obtaining a new tenant for any vacant space we have in our properties. If the vacancy continues for a long period of time, we may suffer reduced revenues resulting in less cash dividends to be distributed to shareholders. In addition, the resale value of a property could be diminished because the market value of a particular property will depend principally upon the value of the leases of such property.

We are dependent on tenants for our revenue.

Certain of our properties may be occupied by a single tenant. As a result, the success of those properties will depend on the financial stability of a single tenant. Lease payment defaults by tenants could cause us to reduce the amount of distributions to shareholders. A default by a tenant on its lease payments could force us to find an alternative source of revenue to pay any mortgage loan on the property. In the event of a tenant default, we may experience delays in enforcing our rights as landlord and may incur substantial costs in protecting our investment and re-letting our property. If a lease is terminated, we may be unable to lease the property for the rent previously received or sell the property without incurring a loss.

We may not have funding for future tenant improvements.

When a tenant at one of our properties does not renew its lease or otherwise vacates its space in one of our buildings, it is likely that, in order to attract one or more new tenants, we will be required to expend funds to construct new tenant improvements in the vacated space. Substantially all of our net offering proceeds will be invested in real estate properties, and while we intend to manage our cash position or financing availability to pay for any improvements required for releasing we cannot assure you that we will have adequate sources of funding available to us for such purposes in the future.

Uninsured losses relating to real property may adversely affect your returns.

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The Advisor will attempt to ensure that all of our properties are adequately insured to cover casualty losses. However, changes in the cost or availability of insurance could expose us to uninsured casualty losses. In the event that any of our properties incurs a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by any such uninsured loss. In addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure you that any such sources of funding will be available to us for such purposes in the future.

Development and construction of properties may result in delays and increased costs and risks.

We may invest some of the net offering proceeds available for investment in the acquisition of raw land upon which we will develop and construct improvements at a fixed contract price. In any such

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projects we will be subject to risks relating to the builder's ability to control construction costs or to build in conformity with plans, specifications and timetables. The builder's failure to perform may result in legal action by us to rescind the purchase or construction contract or to enforce the builder's obligations. Performance may also be affected or delayed by conditions beyond the builder's control. Delays in completion of construction could also give tenants the right to terminate preconstruction leases for space at a newly developed project. We may incur additional risks when we make periodic progress payments or other advances to such builders prior to completion of construction. Each of those factors could result in increased costs of a project or loss of our investment. In addition, we will be subject to normal lease-up risks relating to newly constructed projects if they are not fully leased prior to the commencement of construction. Furthermore, the price we agree to for the land will be based on projections of rental income and expenses and estimates of construction costs as well as the fair market value of the property upon completion of construction. If our projections are inaccurate, we may pay too much for the land and fail to achieve our forecast of returns due to the factors discussed above.

Competition for investments may increase costs and reduce returns.

We will compete for real property investments with pension funds and their advisors, bank and insurance company investment accounts, other real estate investment trusts, real estate limited partnerships, individuals and other entities engaged in real estate investment activities. Competition for investments may have the effect of increasing acquisition costs and reducing your returns.

Delays in acquisitions of properties may have adverse effects on your investment.

Delays we encounter in the selection, acquisition and development of properties could adversely affect your returns. Where properties are acquired prior to the start of construction, it will typically take 8-14 months to complete construction and rent available space. Therefore, you could suffer delays in the distribution of cash dividends attributable to those particular properties. Our charter limits the amount we can invest in unimproved land.

Uncertain market conditions and the broad discretion of the Advisor relating to the future disposition of properties could adversely affect the return on your investment.

We expect to hold the various real properties in which we invest until such time as the Advisor decides that a sale or other disposition is appropriate given our investment objectives. The Advisor, subject to approval of the board, may exercise its discretion as to whether and when to sell a property, and we will have no obligation to sell properties at any particular time, except upon a liquidation of our properties if we do not list the common stock within ten years after the initial closing under this offering. We cannot predict the various market conditions affecting real estate investments which will exist at any particular time in the future. Due to the uncertainty of market conditions which may affect the future disposition of our properties, we cannot assure you that we will be able to sell our properties at a profit in the future. Accordingly, the extent to which you will receive cash distributions and realize potential appreciation on our real estate investments will be dependent upon fluctuating market conditions.

We may acquire properties with "lock-out" provisions which may affect our ability to dispose of the properties.

We may acquire properties that are subject to contractual "lock-out" provisions that could restrict our ability to dispose of the property for a period of time. Lock-out provisions could affect our ability to turn our investments into cash and could affect cash available for distributions to you. Lock-out provisions could also impair our ability to take actions during the lock-out period that would otherwise be in the best interest of our shareholders and, therefore, may have an adverse impact on the value of our shares, relative to the value that would result if the lock-out provisions did not exist.

We may acquire co-ownership interests in real property that are subject to certain co-ownership agreements which may affect our ability to operate or dispose of the property or our co-ownership interest.

We may hold co-ownership interests, such as tenancy-in-common interests in real property, that are subject to certain co-ownership agreements. The co-ownership agreements may limit our ability to encumber, lease, or dispose of our co-ownership interest. Thus, such agreements could affect our ability to turn our investments into cash and could affect cash available for distributions to you. The co-ownership agreements could also impair our ability to take actions that would otherwise be in the best interest of our shareholders and, therefore, may have an adverse impact on the value of our shares, relative to the value that would result if the co-ownership agreements did not exist.

We may acquire interests in partnerships that could subject us to additional liabilities.

We may acquire partnership interests, including general partnership interests, in partnerships that could subject us to the liabilities of the partnership.

Discovery of previously undetected environmentally hazardous conditions may adversely affect our operating results.

Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, by private parties. In connection with the acquisition and ownership of our properties, we may be exposed to such costs. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect the business, assets or results of operations of Dividend Capital Trust and, consequently, amounts available for distribution to our shareholders.

If we fail to make our debt payments, we could lose our investment in a property.

Loans obtained to fund property acquisitions will generally be secured by first mortgages on those properties. If we are unable to make our debt service payments as required, a lender could foreclose on the property or properties securing its debt. This could cause us to lose part or all of our investment which in turn could cause the value of the common stock and the dividends payable to shareholders to be reduced.

Lenders may require us to enter into restrictive covenants relating to our operations.

In connection with obtaining certain financing, a lender may impose restrictions on us which affect our ability to incur additional debt and our ability to make distributions to our shareholders. Loan documents we enter into may contain negative covenants which limit our ability to further mortgage the property, replace the Advisor as our advisor or impose other limitations.

If we enter into financing arrangements involving balloon payment obligations, it may adversely affect our ability to pay dividends.

Some of our financing arrangements may require us to make a lump-sum or "balloon" payment at maturity. Our ability to make a balloon payment at maturity is uncertain and may depend upon our ability to obtain additional financing or our ability to sell the property. At the time the balloon payment is due, we may or may not be able to refinance the balloon payment on terms as favorable as

the original loan or sell the property at a price sufficient to make the balloon payment. The effect of a refinancing or sale could affect the rate of return to shareholders and the projected time of disposition of our assets. In addition, payments of principal and interest made to service our debts may leave us with insufficient cash to pay the distributions that we are required to pay to maintain our qualification as a REIT.

Federal Income Tax Risks

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Failure to qualify as a REIT could adversely affect our operations and our ability to make distributions.

We intend to qualify as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2003. Although we do not intend to request a ruling from the Internal Revenue Service as to our REIT status, we have received the opinion of our special counsel, Skadden, Arps, Slate, Meagher & Flom LLP, that we operate in a manner that will enable us to meet the requirements for qualification as a REIT for federal income tax purposes. This opinion was issued in connection with this offering. The opinion of Skadden, Arps, Slate, Meagher & Flom LLP will represent only the view of our counsel based on our counsel's review and analysis of existing law and on certain representations as to factual matters and covenants made by us, including representations relating to the values of our assets and the sources of our income. No assurance can be given that we are organized or will continue to operate in a manner so as to qualify or remain so qualified. Qualification as a REIT involves the satisfaction of numerous requirements (some on an annual and quarterly basis) established under highly technical and complex provisions of the Code for which there are only limited judicial or administrative interpretations, and involves the determination of various factual matters and circumstances not entirely within our control. (See "Federal Income Tax Considerations General REIT Qualification" and "Federal Income Tax Considerations General Requirement for Qualification as a REIT").

If we fail to qualify as a REIT in any taxable year for which a REIT election has been made, we would not be allowed a deduction for dividends paid to our shareholders in computing our taxable income and would be subject to federal income tax (including any applicable alternative minimum tax) on our taxable income at corporate rates. Moreover, unless entitled to relief under certain statutory provisions, we would also be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost. This treatment would reduce our net earnings available for investment or distribution to our shareholders because of the additional tax liability to us for the years involved. As a result of the additional tax liability, we might need to borrow funds or liquidate certain investments on terms that may be disadvantageous to us in order to pay the applicable tax, and we would not be compelled to make distributions under the Code.

We believe that Dividend Capital OP will be treated for federal income tax purposes as a partnership and not as an association or as a publicly traded partnership taxable as a corporation. If the Internal Revenue Service were to successfully determine that Dividend Capital OP was properly treated as a corporation, Dividend Capital OP would be required to pay federal income tax at corporate rates on its net income, its partners would be treated as shareholders of Dividend Capital OP and distributions to partners would constitute dividends that would not be deductible in computing Dividend Capital OP's taxable income. In addition, we would fail to qualify as a REIT, with the resulting consequences described above. See "Federal Income Tax Considerations Federal Income Tax Aspects of Our Partnership Classification as a Partnership."

To qualify as a REIT, we must meet annual distribution requirements.

To obtain the favorable tax treatment accorded to REITs, we normally will be required each year to distribute to our shareholders at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and by excluding net capital gains. We will be subject to federal

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income tax on our undistributed taxable income and net capital gain and to a 4% nondeductible excise tax on any amount by which distributions we pay with respect to any calendar year are less than the sum of 85% of our ordinary income, 95% of our capital gain net income and 100% of our undistributed income from prior years. These requirements could cause us to distribute amounts that otherwise would be spent on acquisitions of properties and it is possible that we might be required to borrow funds or sell assets to fund these distributions. Although we intend to make distributions sufficient to meet the annual distribution requirements and to avoid corporate income taxation on the earnings that we distribute, it is possible that we might not always be able to do so.

Legislative or regulatory action could adversely affect investors.

In recent years, numerous legislative, judicial and administrative changes have been made to the federal income tax laws applicable to investments in REITs and similar entities. Additional changes to tax laws are likely to continue to occur in the future, and we cannot assure you that any such changes will not adversely affect the taxation of a shareholder. Any such changes could have an adverse effect on an investment in our common stock. You are urged to consult with your tax advisor with respect to the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in common stock.

Retirement Plan Risks

There are special considerations that apply to pension or profit sharing trusts or IRAs investing in common stock.

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If you are investing the assets of an IRA, pension, profit sharing, 401(k), Keogh or other qualified retirement plan, you should satisfy yourself that:

Your investment is consistent with your fiduciary obligations under ERISA and the Internal Revenue Code;

Your investment is made in accordance with the documents and instruments governing your plan or IRA, including your plan's investment policy;

Your investment satisfies the prudence and diversification requirements of Sections 404(a)(1)(B) and 404(a)(1)(C) of ERISA;

Your investment will not impair the liquidity of the plan or IRA;

Your investment will not produce "unrelated business taxable income" for the plan or IRA;

You will be able to value the assets of the plan annually in accordance with ERISA requirements; and

Your investment will not constitute a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

For a more complete discussion of the foregoing issues and other risks associated with an investment in our common stock by retirement plans, please see the "ERISA Considerations" section of this prospectus.

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SUITABILITY STANDARDS

The shares we are offering are suitable only as a long-term investment for persons of adequate financial means. Initially, we do not expect to have a public market for the common stock, which means that it may be difficult for you to sell your shares. You should not buy these shares if you need to sell them immediately or will need to sell them quickly in the future.

The Advisor and the Dealer Manager, in conjunction with participating broker-dealers, are responsible for making every reasonable effort to determine that the purchase of common stock is a suitable and appropriate investment for each investor based on information concerning the investor's financial situation and investment objectives. In consideration of these factors, we have established suitability standards for initial shareholders and subsequent transferees. These suitability standards require that a purchaser of common stock have either:

A net worth, excluding the value of a purchaser's home, furnishings and automobiles, of at least \$150,000; or

A gross annual income of at least \$45,000 and a net worth, excluding the value of a purchaser's home, furnishings and automobiles, of at least \$45,000.

The minimum purchase is 200 shares (\$2,000), except in certain states as described below. In order to satisfy the minimum purchase requirements for retirement plans, unless otherwise prohibited by state law, a husband and wife may jointly contribute funds from their separate IRAs, provided that each such contribution is made in increments of \$100. You should note that an investment in common stock of Dividend Capital Trust will not, in itself, create a retirement plan and that, in order to create a retirement plan, you must comply with all applicable provisions of the Internal Revenue Code.

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The minimum purchase for Maine, Minnesota, New York and North Carolina residents is 250 shares (\$2,500), except for IRAs and other qualified retirement plans which must purchase a minimum of 200 shares (\$2,000).

Purchases of common stock pursuant to our distribution reinvestment plan may be in amounts less than set forth above.

Several states have established suitability standards different from those we have outlined. Shares will be sold only to investors in these states who meet the special suitability standards set forth below.

Arizona, California, Michigan, New Mexico and North Carolina Investors must have either (1) a net worth of at least \$225,000 or (2) gross annual income of \$60,000 and a net worth of at least \$60,000.

Iowa, Oregon and Tennessee Investors must have either (1) a net worth (exclusive of home, home furnishings and automobiles) of at least \$250,000 and gross annual income of \$65,000 during the prior tax year with an expectation of gross annual income of \$65,000 in the current tax year or (2) a net worth (exclusive of home, home furnishings and automobiles) of at least \$500,000.

Maine Investors must have either (1) a net worth of at least \$200,000 or (2) gross annual income of \$50,000 and a net worth of at least \$50,000.

Michigan, Ohio and Pennsylvania In addition to our suitability requirements, investors must have a net worth of at least ten times their investment in Dividend Capital Trust.

Missouri Investors must have either (1) a net worth of at least \$225,000, or (2) gross annual income of \$60,000 and a net worth of at least \$60,000.

New Hampshire Investors must have either (1) a net worth of at least \$250,000, or (2) taxable income of \$50,000 and a net worth (exclusive of home, home furnishings and automobiles) of at least \$125,000.

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Pennsylvania Because the minimum closing amount is less than \$25,000,000 (10% of the total offering amount), investors are cautioned to carefully evaluate our ability to fully accomplish our stated objectives and to inquire as to the current dollar volume of common stock subscribed to in this offering.

In the case of sales to fiduciary accounts, these suitability standards must be met by the fiduciary account, by the person who directly or indirectly supplied the funds for the purchase of the common stock or by the beneficiary of the account. These suitability standards are intended to help ensure that, given the long-term nature of an investment in our common stock, our investment objectives and the relative illiquidity of our common stock, shares of Dividend Capital Trust are an appropriate investment for each shareholder. Each participating broker-dealer must make every reasonable effort to determine that the purchase of shares is a suitable and appropriate investment for each shareholder based on information provided by the shareholder in the Subscription Agreement. Each participating broker-dealer is required to maintain for six years records of the information used to determine that an investment in the shares is suitable and appropriate for a shareholder.

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ESTIMATED USE OF PROCEEDS

A special meeting of shareholders was held on November 21, 2003 which resulted in the approval of several amendments to the Company's articles of incorporation to reduce the amount of fees paid the Advisor, Dealer Manager and other affiliates. As a result, we expect that at least 90.9% of future gross offering proceeds, including shares issued pursuant to our Distribution Reinvestment Plan ("DRIP"), will be used to buy real estate, while the remaining proceeds will be used to pay expenses and fees including the payment of fees to the Advisor, the Property Manager and the Dealer Manager.

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The following table sets forth our best estimate of how we intend to use the gross offering proceeds for our offering based on 10,000,000 initial shares already sold, 15,000,000 subsequent shares sold, 29,000,000 total shares sold, including shares issued pursuant to our DRIP, and 19,000,000 subsequent shares sold, including shares issued pursuant to our DRIP, respectively.

	10,000,000 Initial Shares Already Sold		15,000,000 Subsequent Shares Sold		29,000,000 Total Shares Sold (Including DRIP)		19,000,000 Subsequent Shares Sold (Including DRIP)	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
Gross Offering Proceeds(1)	\$ 100,000,000	100%	\$ 150,000,000	100%	\$ 288,000,000	100%	\$ 188,000,000	100%
Less Public Offering Expenses:								
Sales Commissions(2)	7,000,000	7.0%	9,000,000	6.0%	16,400,000	5.7%	9,400,000	5.0%
Dealer Manager Fee(2)	2,500,000	2.5%	3,000,000	2.0%	5,500,000	1.9%	3,000,000	1.6%
Organization and Offering Expenses(3)	3,000,000	3.0%	3,000,000	2.0%	6,000,000	2.1%	3,000,000	1.6%
Amount Available for Investment(4)	\$ 87,500,000	87.5%	\$ 135,000,000	90.0%	\$ 260,100,000	90.3%	\$ 172,600,000	91.8%
Acquisition and Development:								
Acquisition and Advisory Fees(5)	\$ 2,625,000	2.6%	\$ 1,350,000	0.9%	\$ 4,351,000	1.5%	\$ 1,726,000	0.9%
Initial Working Capital Reserve(6)								
Amount Invested in Properties(4)(7)	\$ 84,875,000	84.9%	\$ 133,650,000	89.1%	\$ 255,749,000	88.8%	\$ 170,874,000	90.9%

Footnotes to Estimated Use of Proceeds Table:

- (1) The table does not reflect the possible sale of up to 1,000,000 shares which may be issued upon exercise of the soliciting dealer warrants.
- (2) The subsequent 15,000,000 shares sold includes selling commissions equal to 6.0% of aggregate gross offering proceeds for which commissions may be reduced under certain circumstances and a dealer manager fee equal to 2.0% of aggregate gross offering proceeds, both of which are payable to the Dealer Manager, an affiliate of the Advisor. The initial 10,000,000 shares sold includes selling commissions equal to 7.0% of aggregate gross offering proceeds and a dealer manager fee equal to 2.5% of aggregate gross offering proceeds, which were payable to the Dealer Manager. The Dealer Manager, in its sole discretion, may re-allow selling commissions to other broker-dealers participating in this offering attributable to the shares sold by them and may re-allow out of its dealer manager fee up to 1.0% of aggregate gross offering proceeds in marketing fees and due diligence expenses to broker-dealers participating in this offering based on such factors as the volume of shares sold by such participating broker-dealers, marketing support provided by such participating broker-dealers and bona fide conference fees incurred. The amount of selling commissions may also be reduced under certain circumstances for volume discounts. See the "Plan of Distribution" section of this prospectus for a description of such provisions.
- (3) Organization and offering expenses consist of reimbursement of actual legal, accounting, printing and other accountable offering expenses, including amounts to reimburse the Advisor for marketing, salaries and direct expenses of its employees, employees of its affiliates and others while engaged in registering and marketing the shares, which shall include development of marketing materials and marketing presentations, planning and participating in due diligence and marketing meetings and coordinating generally the marketing process for Dividend Capital Trust. The Company will be responsible for the payment of all organization and offering expenses not to exceed 3.0% of cumulative gross offering proceeds up to \$100 million and

not to exceed 2.0% of cumulative gross offering proceeds in excess of \$100 million. The Advisor is obligated to fund all organization and offering expenses in excess of these limitations. As of September 30, 2003, the Advisor had funded approximately \$9.7 million of offering related costs and we had reimbursed the Advisor approximately \$1.8 million for these costs.

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Until required in connection with the acquisition and development of properties, substantially all of the net offering proceeds, and thereafter, the working capital reserves of Dividend Capital Trust, may be invested in short-term, highly-liquid investments including government obligations, bank certificates of deposit, short-term debt obligations and interest-bearing accounts. The number of properties we are able to acquire will depend on several factors, including the amount of capital raised in this offering, the extent to which we incur debt or issue limited partnership interests in Dividend Capital OP in order to acquire properties and the purchase price of the properties we acquire. We are not able to estimate the number of properties we may acquire assuming the sale of any particular number of shares. However, in general we expect that the concentration risk of our portfolio of properties will be inversely related to the number of shares sold in this offering.

- (5) Acquisition and advisory fees are defined generally as fees and commissions paid by any party to any person in connection with the purchase, development or construction of our properties. We will pay the Advisor acquisition and advisory fees up to a maximum amount of 3.0% of the aggregate purchase price of all properties we acquire up to the first \$170 million of acquisitions and up to a maximum amount of 1.0% of the aggregate purchase price of all properties thereafter. The table assumes that the \$170 million property acquisition threshold will be reached upon the sale of the initial 10 million shares through the use of leverage. As such, the subsequent 15 million shares reflects a 1.0% acquisition fee.
- (6) Because most of the leases for the properties acquired and to be acquired by Dividend Capital Trust provide and will likely provide for tenant reimbursement of operating expenses, we do not anticipate that a permanent reserve for maintenance and repairs of real estate properties will be established. However, to the extent that we have insufficient funds for such purposes, we may apply an amount of up to 1.0% of gross offering proceeds for maintenance and repairs of properties. We also may, but are not required to, establish reserves from gross offering proceeds, out of cash flow generated by operating properties or out of net sale proceeds in non-liquidating sale transactions.
- (7) Includes amounts anticipated to be invested in properties, including other third-party acquisition expenses which are included in the total acquisition costs of the properties acquired or for properties that are not acquired these costs are expensed. Third-party acquisition expenses may include legal, accounting, consulting, appraisals, engineering, due diligence, title insurance, closing costs and other expenses related to potential acquisitions regardless of whether the property is actually acquired.

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SELECTED FINANCIAL DATA

The Company commenced active operations when it acquired its first operating property on June 9, 2003. The following sets forth a summary of the selected financial data for the six months ended September 30, 2003 and for the fiscal year ended December 31, 2002.

	<u>2003(1)</u>	<u>2002(2)</u>
OPERATING DATA:		
Rental revenue	\$ 960,115	\$
Net income (loss) before minority interest	\$ 105,740	\$ (212,712)
Minority interest	\$	\$ 200,000
Net income (loss)	\$ 105,740	\$ (12,712)
Basic and diluted income (loss) per common share	\$ 0.05	\$ (63.56)
Dividends declared per common share annualized		
Second Quarter	\$ 0.625	\$
Third Quarter	\$ 0.625	\$
Weighted average common shares outstanding		
Basic	2,160,712	200
Dilutive	2,180,712	200
BALANCE SHEET DATA:		
Investment in real estate, net	\$ 39,007,770	\$
Total assets	\$ 56,974,984	\$ 751,678
Long-term obligations	\$	\$
Total liabilities	\$ 1,873,501	\$ 761,390

- (1) For the nine months ended September 30, 2003 for operating data (unaudited) and as of September 30, 2003 for balance sheet data (unaudited).
- (2) For the period from inception (April 12, 2002) through December 31, 2002 for operating data and as of December 31, 2002 for balance sheet data.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations of the company should be read in conjunction with the audited consolidated financial statements and notes thereto as of December 31, 2002 and for the period from inception (April 12, 2002) through December 31, 2002 as well as the financial statements for the period ended September 30, 2003. This prospectus contains certain forward-looking statements. When used in this report, the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," "believe," and similar expressions are intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. There are various factors that could cause actual results to differ materially from those which are expressed in, or implied by, such forward-looking statements. Such factors include changes in general economic conditions, changes in real estate conditions, changes in interest rates, the amount of equity capital provided by the Company's public offering, the availability of debt financing on terms that are favorable to the Company, the ability of the Company to acquire and lease properties on favorable terms, and the ability of tenants to make payments under their respective leases. Readers of this filing are cautioned to consider these uncertainties in connection with all forward-looking statements.

Overview

Dividend Capital Trust Inc. was formed as a Maryland corporation in April 2002 in order to invest in commercial real estate properties consisting primarily of high-quality, generic distribution warehouses and light industrial buildings net leased to creditworthy corporate tenants. These facilities will generally be located in the top 20% of the distribution and logistics markets in the United States. The Company intends to qualify as a REIT for federal tax purposes commencing with its taxable year ending December 31, 2003. The Company is structured as an UPREIT under which substantially all of the Company's current and future business is and will be conducted through a majority owned subsidiary, Dividend Capital Operating Partnership LP. The Company commenced operations on June 9, 2003 when it closed its first acquisition of an industrial property located in Nashville, TN (see the "Real Estate Investments" section of this prospectus for further discussion of this and other acquisitions).

On April 15, 2002, the Company filed a registration statement (the "Registration Statement") with the Securities and Exchange Commission covering a public offering of its common stock. The Registration Statement was declared effective on July 17, 2002 and the Company had received clearance of its offering in forty-nine states in December 2002. The common stock is being offered at a price of \$10 per share on a 200,000 share minimum, 25,000,000 share maximum, best-efforts basis. The Registration Statement also covers up to 4,000,000 shares available pursuant to the Company's distribution reinvestment plan and up to 1,000,000 shares issuable upon the exercise of warrants that may be issued to the Dealer Manager participating in the offering. Until the Company received subscriptions covering at least 200,000 shares from at least 100 non-affiliated investors, offering proceeds were required to be held in escrow. The escrow conditions were satisfied on February 10, 2003, at which time 226,567 shares of common stock were issued to investors. As of December 1, 2003 10,784,959 shares of common stock had been sold under this offering.

Liquidity and Capital Resources

Overview

The Company's management is committed to maintaining a strong balance sheet and preserving the Company's financial flexibility, which management believes enhances its ability to capitalize on attractive investment opportunities as they become available. The Company's management believes its

liquidity and ability to generate cash from its operating activities and financing activities are adequate to meet all of the Company's cash flow needs during 2003 and for the foreseeable future.

Operating Activities

Cash flow provided by operating activities increased approximately \$980,000 for the nine month period ended September 30, 2003 compared to the period from inception (April 12, 2002) through September 30, 2002 due to the cash flow provided by the newly acquired properties. In addition, the Company realized higher general and administrative costs related to the operations of the newly acquired properties which were partially offset by an increase in interest income resulting from higher cash balances. See "Results of Operations" for a more complete discussion of the factors impacting our operating performance.

Investing and Financing Activities

The funds used in investing activities increased approximately \$40.2 million primarily due to the acquisitions of the Nashville Facility, the Chickasaw Facilities and the associated acquisition costs. In addition, the deferred acquisition costs were greater during the period ended September 30, 2003 compared to the period ended September 30, 2002 due to the Company having additional deposits for potential property acquisitions.

Funds provided by financing activities increased primarily due to the proceeds received from the Company's public offering which were partially offset by the increase in offering costs. As of September 30, 2003, the Company had sold 6,397,866 shares of common stock for gross proceeds of approximately \$64.0 million and paid related offering costs of approximately \$8.0 million.

Our articles of incorporation limit our maximum leverage to 50% of the value of our gross assets before non-cash reserves and depreciation. As of September 30, 2003, our properties were unencumbered by debt. If we were to borrow the maximum amount permitted by our articles of incorporation, we would have approximately \$19.7 million in additional cash from financing, using this standard.

The Company is currently raising additional capital through the sale of limited partnership interests ("DCX Units") in Dividend Capital Operating Partnership LP. The Company is selling DCX Units to investors which may be completing a tax deferred exchanges under either or both of Sections 1031 and 721 of the Internal Revenue Code. The issuance price per DCX Unit will be determined at the time of such issuance by reference to the fair market value per common share of Dividend Capital Trust, which is currently \$10.00 per share. Unit holders will be entitled to receive distributions equal to distributions declared by the Company's board of directors for common shareholders. Although each DCX Unit will be economically equivalent to one common share of Dividend Capital Trust, DCX Unit holders are not entitled to vote on Dividend Capital Trust matters. Upon holding DCX Units for a period of at least one year, and subject to certain restrictions, an investor may require Dividend Capital Operating Partnership to redeem some or all of the investor's DCX Units for Dividend Capital Trust's common stock or, at the option of Dividend Capital Operating Partnership, for cash. The Company's management believes this additional capital raising effort will provide the Company with cost efficient capital which will be used to acquire high quality industrial properties. Certain fees, commissions and reimbursements may be paid to related parties of up to 10.0% of the gross proceeds generated from the issuance of DCX Units.

Debt Service Requirements.

The Company financed \$11,350,000 of the purchase price for the acquisition of the Nashville, Tennessee distribution facility with a senior secured loan. In accordance with the loan agreement, in

September 2003, the Company exercised its right to prepay the balance of this loan in full, including accrued interest.

On October 30, 2003, the Company executed an agreement with Bank One, N.A. for a \$50 million senior secured revolving credit facility which may be increased up to \$200 million in total. The credit facility bears interest at LIBOR plus 1.125% to 1.500%. The credit facility matures in April 2004. However, upon successful syndication of this facility, it is expected that the facility will be amended and restated, under the terms consistent with the current facility, to include a maturity date three years after the closing of the syndication. The terms of the credit facility includes certain financial covenants relating to minimum net worth, minimum liquidity, fixed charge average and total debt to total assets ratios that are tested on an annual and quarterly basis.

Critical Accounting Policies

The following discussion pertains to accounting policies management believes are most "critical" to the portrayal of the Company's financial condition and results of operations which require management's most difficult, subjective or complex judgments. These judgments often result from the need to make estimates about the effect of matters that are inherently uncertain. This discussion addresses judgments known to management pertaining to trends, events or uncertainties known which were taken into consideration upon the application of those policies and the likelihood that materially different amounts would be reported upon taking into consideration different conditions and assumptions.

Valuation of Investment Property

Long-lived assets to be held and used will be carried at cost and evaluated for impairment when events or changes in circumstances indicate such an evaluation is warranted. The Company will also evaluate assets for potential impairment when the Company deems them to be held for sale. Valuation of real estate is considered a "critical accounting estimate" because the evaluation of impairment and the determination of fair values involve a number of management assumptions relating to future economic events that could materially affect the determination of the ultimate value, and therefore, the carrying amounts of the Company's real estate. Such assumptions include projecting vacancy rates, rental rates, property operating expenses, capital expenditures and debt financing rates, among other things. The capitalization rate is also a significant driving factor in determining the property valuation which requires management's judgment of factors such as market knowledge, historical experience, length of leases, tenant financial strength, economy, demographics, environment, property location, visibility, age, physical condition and investor return requirements, among other things. All of the aforementioned factors will be taken as a whole by management in determining the valuation of investment property. The valuation is sensitive to the actual results of any of these uncertain factors, either individually or taken as a whole. Should the actual results differ from management's judgment, the valuation could be negatively effected.

Real Estate Acquisitions

Upon the acquisition of operating properties, management must make significant assumptions in order to allocate the purchase price of the properties to identifiable tangible and intangible assets associated with the property in accordance with SFAS No. 141, "Business Combinations." Management uses the best information available such as appraisals, current market rental rates, rental growth, discount rates and other factors to determine the most appropriate allocation. However, if inappropriate information is used in regards to these estimates, misclassification of assets or liabilities and incorrect calculation of depreciation amounts would occur, which would misstate our results of operations.

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Valuation of Accounts and Rent Receivable

Periodically management will assess the collectability of accounts and rent receivable balances in order to determine if an adjustment to the value of these balances is necessary. Management will take into consideration certain factors that require judgments to be made as to the collectability of receivables. Collectability factors taken into consideration will be the amounts outstanding, payment history and financial strength of the tenant, which taken as a whole, determines the valuation.

Results of Operations

Comparison of the Periods Ending September 30, 2002 and 2003

The Company had not commenced active operations and was in the development stage during the period from inception (April 12, 2002) through September 30, 2002. During the period ended September 30, 2002, the Company did not have revenue and realized a loss of \$30,800. However, during the nine months ended September 30, 2003, the Company acquired its first real estate assets for a combined purchase price of approximately \$37,780,000 which resulted in rental revenues of approximately \$960,115 and an increase in operating expenses of approximately \$874,000 which resulted in net income of \$105,740.

Period Ended December 31, 2003

The Company had not commenced active operations as of the December 31, 2003. For the period from inception (April 12, 2002) through December 31, 2002, the Company incurred approximately \$213,000 of expenses related to the Company's development stage operations.

Subsequent Events

Acquisitions

Rancho Facility

On October 20, 2003, the Company acquired the Rancho Technology Park facility (the "Rancho Facility"), which is a one-story, newly constructed distribution facility with 201,493 square feet of leasable space. The cost of the Rancho Facility (including an acquisition fee of \$297,795 payable to our Advisor) was approximately \$10,350,000, which was paid with the proceeds from the Company's public offering. These costs include certain escrow amounts related to the newly negotiated lease with Ozburn-Hessey Logistics, LLC (OHL) totaling approximately \$585,000 which represents amounts to be paid for tenant finish and leasing commissions.

Mallard Lake

On October 29, 2003, Dividend Capital acquired a 222,122 square foot distribution facility ("Mallard Lake") in the Mallard Lake Distributions Center, a business park in Hanover Park, Illinois (an industrial submarket of Chicago). The Company purchased the building from an unrelated third party that developed Mallard Lake during 1999. The cost of Mallard Lake (including an acquisition fee of \$329,259 payable to our Advisor) was approximately \$11,400,000, which was paid with proceeds from the Company's public offering. The facility is fully leased to Iron Mountain Inc. (NYSE: IRM), an international information storage, management and protection services company.

West by Northwest

On October 30, 2003, the Company acquired an 189,467 square foot industrial distribution building ("West by Northwest") in the West by Northwest Business Center. The West by Northwest Business Center is located in Houston's northwest submarket and was developed by an unrelated third party

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during 1997. The cost of West by Northwest (including an acquisition fee of \$248,250 payable to our Advisor) was approximately \$8,610,000, which was paid for with proceeds from the Company's public offering and proceeds from the Credit Facility (as discussed below). The building is fully leased to Inventec Electronics Corp, USA., the American subsidiary of Inventec Corp., a Taiwanese designer and manufacturer of technology products, including computers, handhelds and servers.

Special Meeting of Shareholders

A special meeting of shareholders was held on November 21, 2003 for shareholders of record as of October 16, 2003. The meeting was held to vote on proposed amendments to our articles of incorporation to, among other things, reduce the amount of fees paid to the Advisor and its affiliates and to implement an Asset Management fee payable to the Advisor. The proposed amendments were approved by a majority of the voting shareholders. As a result, effective upon the sale of \$100 million of gross offering proceeds, the dealer manager fee was reduced from 2.5% to 2.0%, commissions were reduced from 7% to 6% and the offering expense reimbursement to the Advisor was reduced from 3.0% to 2.0%. After we acquire at least \$170 million in properties, the Acquisition Fee paid to the Advisor will be reduced from 3.0% to 1.0% of the purchase price of properties acquired thereafter. The properties that are assessed the 1.0% acquisition fee will also be subject to an Asset Management fee equal to 0.75% annually of the undepreciated value of those properties.

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MANAGEMENT

General

We operate under the direction of our board of directors, the members of which are accountable to us and our shareholders as fiduciaries. The board is responsible for the management and control of our affairs. The board has retained the Advisor, subject to the board's approval and oversight, to manage our day-to-day affairs and the acquisition and disposition of our investments. Our articles of incorporation were reviewed and ratified by the board of directors, including the independent directors, at their initial meeting.

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Our articles of incorporation and bylaws provide that the number of directors of Dividend Capital Trust may be established by a majority of the entire board of directors but may not be fewer than three or more than fifteen. We currently have a total of seven directors. Our articles of incorporation also provide that a majority of the directors must be independent directors. An "independent director" is a person who is not an officer or employee of Dividend Capital Trust, the Advisor or their affiliates and has not otherwise been affiliated with such entities for the previous two years. Of our seven current directors, four are considered to be independent directors.

Each director will serve until the next annual meeting of shareholders or until his successor has been duly elected and qualified. Although the number of directors may be increased or decreased, a decrease shall not have the effect of shortening the term of any incumbent director.

Any director may resign at any time and may be removed with or without cause by the shareholders upon the affirmative vote of at least a majority of all the votes entitled to be cast at a meeting called for the purpose of the proposed removal. The notice of the meeting shall indicate that the purpose, or one of the purposes, of the meeting is to determine if the director shall be removed.

Unless filled by a vote of the shareholders as permitted by Maryland Corporation Law, a vacancy created by an increase in the number of directors or the death, resignation, removal, adjudicated incompetence or other incapacity of a director shall be filled by a vote of a majority of the remaining directors and:

In the case of a director who is not an independent director (affiliated director), by a vote of a majority of the remaining affiliated directors, unless there are no remaining affiliated directors, in which case by a majority vote of the remaining directors; or

In the case of an independent director, by a vote of a majority of the remaining independent directors, unless there are no remaining independent directors, in which case by a majority vote of the remaining directors.

If at any time there are no independent or affiliated directors in office, these successor directors shall be elected by the shareholders. Each director will be bound by the articles of incorporation and the bylaws.

The directors are not required to devote all of their time to our business and are only required to devote the time to our affairs as their duties require. The directors will meet quarterly or more frequently if necessary. We do not expect that the directors will be required to devote a substantial portion of their time to discharge their duties as our directors. Consequently, in the exercise of their fiduciary responsibilities, the directors will be relying heavily on the Advisor. The board is empowered to fix the compensation of all officers that it selects and may pay compensation to directors for services rendered to us in any other capacity.

Our general investment and borrowing policies are set forth in this prospectus. The directors may establish further written policies on investments and borrowings and shall monitor our administrative procedures, investment operations and performance to ensure that the policies are fulfilled and are in

the best interest of the shareholders. We will follow the policies on investments and borrowings set forth in this prospectus unless and until they are modified by the directors.

The board is also responsible for reviewing all of our fees and expenses at least annually and with sufficient frequency to determine that the expenses incurred are in the best interest of the shareholders. In addition, a majority of the independent directors and a majority of directors not otherwise interested in the transaction must approve all transactions with the Advisor or its affiliates. The independent directors will also be responsible for reviewing the performance of the Advisor and determining that the compensation to be paid to the Advisor is reasonable in relation to the nature and quality of services to be performed and that the provisions of the Advisory Agreement are being carried out. Specifically, the independent directors will consider factors such as:

The size of the advisory fee in relation to the size, composition and profitability of our portfolio;

The success of the Advisor in generating opportunities that meet our investment objectives;

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The rates charged to other REITs and to investors other than REITs by advisors performing similar services;

Additional revenues realized by the Advisor and its affiliates through their relationships with us;

The quality and extent of service and advice furnished by the Advisor;

The performance of our real estate properties, including income, conservation or appreciation of capital, frequency of problem investments and competence in dealing with distress situations; and

The quality of our real estate properties in relationship to the investments generated by the Advisor or its affiliates for the account of other clients.

Neither the directors nor their affiliates will vote or consent to the voting of shares they now own or hereafter acquire on matters submitted to the shareholders regarding either (1) the removal of the Advisor, any director or any affiliate of the Advisor, or (2) any transaction between us and the Advisor, any director or any affiliate of the Advisor.

Committees of the Board of Directors

Our entire board of directors considers all major decisions concerning our business, including all property acquisitions. However, our board has established an Investment Committee, Audit Committee and a Compensation Committee so that issues arising in these areas can be addressed in more depth than may be possible at a full board meeting.

Investment Committee

The Investment Committee's primary function is to review, evaluate and ultimately vote to approve acquisitions proposed by the Advisor for acquisitions up to \$25 million. Proposed acquisitions in excess of \$25 million require approval by the board of directors, including a majority of the independent directors. The Investment Committee is required to include three directors, at least two of whom must be independent directors and is currently comprised of Tripp H. Hardin, John C. O'Keeffe and Thomas G. Wattles.

Audit Committee

The Audit Committee will meet on a regular basis at least annually and throughout the year as necessary. The Audit Committee's primary function is to assist the board of directors in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the system of internal controls which management has established, and the audit and financial

reporting process all in accordance with the Company's Audit Committee Charter. The Audit Committee is comprised of three directors, two of whom shall be independent directors. The Audit Committee is currently comprised of Tripp H. Hardin, John C. O'Keeffe and Thomas G. Wattles.

Compensation Committee

Our board of directors has established a Compensation Committee to administer the Employee Option Plan, as described below. The Compensation Committee will be comprised of three directors, two of whom shall be independent directors. The primary function of the Compensation Committee is to administer the granting of stock options to selected employees of the Advisor and the Property Manager based upon recommendations from the Advisor, and to set the terms and conditions of such options in accordance with the Employee Option Plan. The Compensation Committee is currently comprised of James R. Mulvihill, Robert F. Masten and Lars O. Soderberg.

Directors and Executive Officers

The directors and executive officers of the Company, their ages and their positions and offices are as follows:

Name	Age	Position
Thomas G. Wattles	51	Chairman and Director
Evan H. Zucker	38	Chief Executive Officer, President, Secretary and Director
James R. Mulvihill	39	Chief Financial Officer and Director
Tripp H. Hardin, III	42	Director
Robert F. Masten	54	Director
John C. O'Keeffe	43	Director
Lars O. Soderberg	44	Director

Thomas G. Wattles, age 51, is the Chairman and a director of Dividend Capital Trust, a manager and Chief Investment Officer of Dividend Capital Advisors and a manager of Dividend Capital Property Management. Mr. Wattles is a principal of Black Creek Capital, LLC which he joined in February 2003. From November 1993 to March 1997, Mr. Wattles served as Co-Chairman and Chief Investment Officer of ProLogis Trust (NYSE: PLD), and served as Chairman between March 1997 and May 1998. ProLogis is a publicly-held industrial REIT, with total assets of approximately \$5.9 billion as of December 31, 2002, and operations in North America, Europe and Japan. Mr. Wattles was a Managing Director of Security Capital Group Incorporated ("Security Capital Group") and was with Security Capital Group in various capacities including Chief Investment Officer from January 1991 to December 2002. Mr. Wattles is a director of Regency Centers Corporation and chairs its Investment Committee. Mr. Wattles holds a Bachelor's degree and an MBA degree from Stanford University.

Evan H. Zucker, age 38, is the Chief Executive Officer, President, Secretary and a director of Dividend Capital Trust Inc. Mr. Zucker is also a manager of both Dividend Capital Advisors and Dividend Capital Property Management. Mr. Zucker is a principal of Black Creek Capital, LLC, a Denver-based real estate investment firm which he co-founded in 1993. He is also a managing partner of CapEx, LP, a \$60 million private equity fund co-founded by the principals of Black Creek Capital in 1999. Mr. Zucker has been active in real estate acquisition, development and redevelopment activities since 1989 and with Mr. Mulvihill has directed the acquisition, development, redevelopment, financing and sale of approximately 75 real estate projects with an aggregate value in excess of approximately \$503 million. In 1993 Mr. Zucker co-founded American Real Estate Investment Corp. (now known as Keystone Property Trust, NYSE: KTR), which is currently an industrial, office and logistics REIT traded on the New York Stock Exchange with approximately \$672 million in total assets as of December 31, 2002. Mr. Zucker served as the President and as a director of American Real Estate

Investment Corp. from 1993 through 1997 and as a director of Keystone Property Trust from 1997 through 1999. Mr. Zucker graduated from Stanford University with a Bachelor's degree in Economics.

James R. Mulvihill, age 39, is the Treasurer, Chief Financial Officer and a director of Dividend Capital Trust. Mr. Mulvihill is also a manager of both Dividend Capital Advisors and Dividend Capital Property Management. Mr. Mulvihill is a principal of Black Creek Capital, LLC, a Denver-based real estate investment firm which he co-founded in 1993. He is also a co-founder and Chairman of the Board of Corporate Properties of the Americas ("CPA"). CPA, a joint venture between an affiliate of Black Creek Capital and Equity International Properties (a Sam Zell controlled investment company), is a fully-integrated industrial real estate company that acquires, develops and manages industrial properties throughout Mexico. To date, CPA has developed and or acquired over 2 million square feet of industrial buildings and developed two industrial parks totaling 445 acres. Mr. Mulvihill has been active in real estate acquisition, development and redevelopment activities since 1992 and with Mr. Zucker and other affiliates has directed the acquisition, development, redevelopment, financing and sale of approximately 75 real estate projects with an aggregate value in excess of approximately \$503 million. In 1993 Mr. Mulvihill co-founded American Real Estate Investment Corp. (now known as Keystone Property Trust, NYSE: KTR) which is currently an industrial, office and logistics REIT traded on the New York Stock Exchange. Mr. Mulvihill served as its Chairman and as a director from 1993 through 1997 and as a director of Keystone Property Trust from 1997 through 2001. Prior to co-founding Black Creek Capital, Mr. Mulvihill served as Vice President of the Real Estate Banking and Investment Banking Groups of Manufacturer's Hanover and subsequently Chemical Bank, where his responsibilities included real estate syndication efforts, structured debt underwritings and leveraged buyout real estate financings. Mr. Mulvihill holds a Bachelor's degree from Stanford University in Political Science.

Independent Directors

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Tripp H. Hardin, age 42, is an independent director of Dividend Capital Trust. Mr. Hardin is a Vice President of Grubb & Ellis, and he has been active in real estate activities since 1984, focusing primarily on the sale and leasing of industrial, office and commercial properties. He has also been active in real estate investment and build-to-suit transactions. Mr. Hardin graduated from Stanford University with a Bachelor of Science Degree.

Robert F. Masten, age 54, is an independent director of Dividend Capital Trust. Mr. Masten has been active in commercial real estate transactions and title insurance matters since 1972. Mr. Masten is currently a Senior Vice President of Chicago Title Company, Denver, Colorado. Prior to joining Chicago Title Company, from 1993 to 2003, Mr. Masten had been a Senior Vice President of American Title Company, Denver, Colorado, where he has provided title insurance for commercial real estate transactions. Prior to joining North American Title Company he was with Land Title Guaranty Company for 16 years. Before joining Land Title, Mr. Masten leased, managed and sold properties for 33 different syndicates for which Perry & Butler was the general partner. Mr. Masten graduated from the University of Colorado with a Doctorate Degree in Arts and Sciences.

John C. O'Keeffe, age 43, is an independent director of Dividend Capital Trust. Mr. O'Keeffe has been active in real estate construction activities since 1987. Since 1987 he has served as a project manager for Wm. Blanchard Co., Springfield, New Jersey, where he has been responsible for the construction of large healthcare projects. Mr. O'Keeffe graduated from Denison University with a Bachelor's Degree in English Literature.

Lars O. Soderberg, age 44, is an independent director of Dividend Capital Trust. Mr. Soderberg has been employed by Janus Funds since 1995. He is currently a Vice President and Managing Director of Janus Institutional Services, where he is responsible for the development, marketing and distributions of Janus' investment products to the institutional market place. Prior to joining Janus, Mr. Soderberg

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was employed by Fidelity Investments for approximately 14 years. He is Treasurer and a member of the Board of Directors of the National Defined Contribution Council and a member of the Association of Investment Management Sales Executives. Mr. Soderberg graduated from Denison University with a Bachelor of Arts Degree in History.

On March 31, 2003, Dividend Capital Trust's board of directors accepted the resignation of John Blumberg as a director of Dividend Capital Trust and as a member of the Audit Committee and the resignation of Michael Dana as a director of the Company and as a member of the Compensation Committee. Also on March 31, 2003, Thomas G. Wattles was appointed as a director of Dividend Capital Trust and as the Chairman of the Board of Directors and a member of the Audit Committee. Lars O. Soderberg was appointed to the Compensation Committee on March 31, 2003.

Compensation of Directors

We pay each of our independent directors \$2,500 per quarter plus \$1,000 for each board meeting attended and \$500 for each committee meeting attended. In addition, we have reserved 300,000 shares of common stock for future issuance upon the exercise of stock options granted to the independent directors pursuant to our Independent Director Option Plan (as discussed below). All directors receive reimbursement of reasonable out-of-pocket expenses incurred in connection with attendance at meetings of the board of directors. If a director also is an officer of Dividend Capital Trust, we do not pay separate compensation for services rendered as a director.

Independent Director Option Plan

We have adopted an independent director stock option plan which we will use in an effort to attract and retain qualified independent directors (the "Independent Director Option Plan"). We have granted non-qualified stock options to purchase 10,000 shares to each independent director for a total of 40,000 stock options, pursuant to the Independent Director Option Plan upon the sale of 200,000 shares in this offering. In addition, we intend to issue options to purchase 5,000 shares to each independent director then in office on the date of each annual shareholder's meeting. Options may not be granted under the Independent Director Option Plan at any time when the grant would cause the total number of options outstanding under the Independent Director Option Plan and the Employee Option Plan to exceed 10% of our issued and outstanding shares. The exercise price for options to be issued under the Independent Director Option Plan shall be the greater of (1) \$12.00 per share or (2) the fair market value of the shares on the date they are granted. Fair market value is defined generally to mean:

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If the shares are traded on a national securities exchange, the average closing price for the five consecutive trading days ending on such date;

If the shares are quoted on an over-the-counter market, the average of the high bid and low asked prices;

If there is a current public offering and no market maker for the shares, the average of the last 10 sales made pursuant to a public offering;

If there is no current public offering, the average of the last 10 purchases (or fewer if less than 10 purchases) under our share redemption program; or

The price per share under the distribution reinvestment plan if there are no purchases under the share redemption program.

A total of 300,000 shares are authorized and reserved for issuance under the Independent Director Option Plan. If the number of outstanding shares is changed into a different number or kind of shares or securities through a reorganization or merger in which Dividend Capital Trust is the surviving entity,

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or through a combination, recapitalization or otherwise, an appropriate adjustment will be made in the number and kind of shares that may be issued pursuant to exercise of the options. A corresponding adjustment to the exercise price of the options granted prior to any change will also be made. Any such adjustment, however, will not change the total payment, if any, applicable to the portion of the director options not exercised, but will change only the exercise price for each share. Options granted under the Independent Director Option Plan shall lapse on the first to occur of (1) the tenth anniversary of the date we grant them, (2) the removal of the independent director for cause, or (3) three months following the date the independent director ceases to be a director for any reason other than death or disability. Options may be exercised by payment of cash or through the delivery of fully-paid common stock. Options granted under the Independent Director Option Plan are generally exercisable in the case of death or disability for a period of one year after death or the disabling event. No option may be granted or exercised if such grant or exercise would jeopardize our status as a REIT under the Internal Revenue Code or otherwise violate the ownership and transfer restrictions imposed under our articles of incorporation. The independent directors may not sell, pledge, assign or transfer their options other than by will or the laws of descent or distribution.

Upon the dissolution or liquidation of Dividend Capital Trust, upon our reorganization, merger or consolidation with one or more corporations as a result of which we are not the surviving corporation or upon sale of all or substantially all of our properties, the Independent Director Option Plan will terminate, and any outstanding options will terminate and be forfeited. The board of directors may provide in writing in connection with any such transaction for any or all of the following alternatives:

For the assumption by the successor corporation of the options granted or the replacement of the options with options covering the stock of the successor corporation, or a parent or subsidiary of such corporation, with appropriate adjustments as to the number and kind of shares and exercise prices;

For the continuance of the Independent Director Option Plan and the options by such successor corporation under the original terms; or

For the payment in cash or shares of common stock in lieu of and in complete satisfaction of such options.

Employee Option Plan

We have adopted an employee stock option plan (the "Employee Option Plan"). The Employee Option Plan is designed to enable Dividend Capital Trust, the Advisor and the Property Manager to obtain or retain the services of employees (not to include any person who is a sponsor or affiliate of Dividend Capital Trust) considered essential to our long-range success and the success of the Advisor and the Property Manager by

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offering such employees an opportunity to participate in the growth of Dividend Capital Trust through ownership of our common stock. The Employee Option Plan will be administered by the Compensation Committee, which is authorized to grant "non-qualified" stock options (the "Employee Options") to selected employees of the Advisor and the Property Manager. All grants of Employee Options will be based upon the recommendation of the Advisor and subject to the absolute discretion of the Compensation Committee and applicable limitations of the Employee Option Plan. Employee Options may not be granted under the Employee Option Plan at any time when the grant would cause the total number of options outstanding under the Employee Option Plan and the Independent Director Option Plan to exceed 10% of our issued and outstanding shares. The exercise price for the Employee Options shall be the greater of (1) \$11.00 per share or (2) the fair market value of the shares on the date the Employee Option is granted. A total of 750,000 shares are authorized and reserved for issuance under the Employee Option Plan. The Compensation Committee shall set the term of the Employee Options in its discretion, which shall not exceed ten years. The Compensation Committee shall set the period during which the right to exercise an Employee Option vests. No

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Employee Option may be issued or exercised, however, if such issuance or exercise would jeopardize our status as a REIT under the Internal Revenue Code or otherwise violate the ownership and transfer restrictions imposed under our articles of incorporation. In addition, no Employee Option may be sold, pledged, assigned or transferred by an employee in any manner other than by will or the laws of descent or distribution.

In the event that the Compensation Committee determines that any dividend or other distribution, recapitalization, stock split, reorganization, merger, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of our assets, or other similar corporate transaction or event, affects the shares such that an adjustment is determined by the Compensation Committee to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Employee Option Plan or with respect to an Employee Option, then the Compensation Committee shall, in such manner as it may deem equitable, adjust the number and kind of shares or the exercise price with respect to any option.

Limited Liability and Indemnification of Directors, Officers and Others

Our organizational documents limit the personal liability of our shareholders, directors and officers for monetary damages to the fullest extent permitted under current Maryland Corporation Law. In addition, we have obtained directors and officers liability insurance. Maryland Corporation Law allows directors and officers to be indemnified against judgments, penalties, fines, settlements and expenses actually incurred in a proceeding unless the following can be established:

An act or omission of the director or officer was material to the cause of action adjudicated in the proceeding, and was committed in bad faith or was the result of active and deliberate dishonesty;

The director or officer actually received an improper personal benefit in money, property or services; or

With respect to any criminal proceeding, the director or officer had reasonable cause to believe his act or omission was unlawful.

Any indemnification or any agreement to hold harmless is recoverable only out of our assets and not from the shareholders. Indemnification could reduce the legal remedies available to us and the shareholders against the indemnified individuals, however.

This provision does not reduce the exposure of directors and officers to liability under federal or state securities laws, nor does it limit the shareholder's ability to obtain injunctive relief or other equitable remedies for a violation of a director's or an officer's duties to us or our shareholders, although the equitable remedies may not be an effective remedy in some circumstances.

In spite of the above provisions of Maryland Corporation Law, our articles of incorporation provide that the directors, the Advisor and its affiliates will be indemnified by us for losses arising from our operation only if all of the following conditions are met:

Our directors, the Advisor or its affiliates have determined, in good faith, that the course of conduct which caused the loss or liability was in our best interests;

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Our directors, the Advisor or its affiliates were acting on our behalf or performing services for us;

In the case of affiliated directors, the Advisor or its affiliates, the liability or loss was not the result of negligence or misconduct by the party seeking indemnification;

In the case of independent directors, the liability or loss was not the result of gross negligence or willful misconduct by the party seeking indemnification; and

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The indemnification or agreement to hold harmless is recoverable only out of our net assets and not from the shareholders.

We have agreed to indemnify and hold harmless the Advisor and its affiliates performing services for us from specific claims and liabilities arising out of the performance of their obligations under the Advisory Agreement. As a result, we and our shareholders may be entitled to a more limited right of action than we would oth