



## Estimated income Fund I Equity:

Month/Year	March 2017	April 2017
Est. Value of Fund	\$113,000,000	\$116,691,620
Third Party Debt	\$51,730,000	\$51,712,856
Est. Total Equity of Fund	\$61,270,000	\$64,978,764
Series 1 M (Equity Cushion)	\$1,342,724	\$3,903,311
Series 1D	\$2,454,372	\$2,460,245
Series 1C	\$21,994,729	\$22,086,781
Series 1B	\$24,326,426	\$24,384,802
Series 1A	\$11,151,749	\$12,143,625
Total Member Invested Capital	\$59,927,276	\$61,075,453

Call Investor Relations to RSVP for an Education Event:

Lunch and Learn

May 11th at 12 pm

Located at our Corp. Office

4550 E. Thousand Oaks Blvd. Ste. 200 Westlake Village, CA 91362

Seminar

June 24th at 10 am Located at the Courtyard Marriott in Encino

To request a copy of the Private Placement Memorandum Please contact Patty Franklin 805-764-5128 or email:

pfranklin@strategicPEadvisors.com

"As of April 27, 2017 our fund is estimated to be valued at \$ 116,691,620

### Dear Investors,

We are pleased to announce that our 2016 Audits have been completed by CBIZ, a subsidiary of Myer Hoffman McCann. Attached is a summary of the results of the 2016 audit, which is the fourth audit since the Fund's inception in early 2013. If you would like to re-

quest a copy of the 2016 audit, please email Diane Rangel at [Diane.Rangel@StrategicHoldings.com](mailto:Diane.Rangel@StrategicHoldings.com). We have also revised the structure of our newsletter to reflect the different Investor/member Series accounts. In the past we have indicated the estimated value of the fund based on appraisals and broker price opinions. We also indicated all third party debt which can then

determine the estimated total equity of the fund not including the investor capital. We have now broken down the fund chart with the difference class of investors and their capital. The Fund has five series of members (the "Membership Interests") that have tiered risk based on its position in the fund. Series 1M which is tiered to be positioned in the first loss is owned by Strategic Diversified Man-

Membership Interests and its class of investors have priority over the Series 1M both in terms of liquidation and the 10% preferred targeted return. The Series 1C Membership Interests and its investors have priority over the Series 1D and the Series 1M both in terms of liquidation and income. Series 1B investors have priority over the Series 1C, Series 1D, and Series 1M. Series 1A have priority over Series 1B, Series 1C, Series 1D, and Series 1M membership interest. The fund PPM (Private Placement Memorandum) outlines in detail the legal aspects of this tiered risk. For a copy of the PPM, please contact Patty Franklin at 805-764-5128 or pfranklin@strategicpeadvisors.com

We have completed renovations on 3 of the 5 larger and highly distressed properties which we acquired in late 2014 and early 2015. We are targeting all five properties to be fully repositioned and refinanced by the end of 2017. In addition, we increased our overall portfolio occupancy from 56% at the end of 2015, to 80% at the end of 2016. It is our hope that by the end of second quarter 2017, we should be very close to 90% portfolio occupancy and complete portfolio stabilization.

We have also implemented cost savings in the fund by reducing our insurance expense by over 25%, while increasing

the overall coverage. We were successful in several appeals for property tax reductions and have reduced bad debt expense and increased overall operating efficiencies, while maintaining the quality and integrity of our assets.

Again thank you for your continued support in helping the Fund reach significant benchmarks. For 2017, we are seeking to acquire \$50mm – \$75mm of assets in which we are already under contract to purchase 2 properties. Further we hope to purchase another \$75mm in 2018. We will continue to attempt to acquire multi-family apartment complexes as long as it fits the guidelines of our Fund PPM and investment strategy. We will always keep the safety of our members' capital at the top of our list and remain flexible and nimble in the ever changing real estate market.

### 2 Point Bonus Rules

- New Funds invested into Series 1-A—8.5% will receive a 2 % bonus for the first year
- Limited to new investments made between April 1 and May 31, 2017
- IRA/Retirement/ERISA investments not eligible for bonus

If you have questions, feel free to contact Patty Franklin at 805-764-5128

### Audited Financials

For any questions regarding the audited financials please contact our CFO Brian Alonge at (805) 410-4622 or email him at: Balonge@strategicholdings.com

## 2615 Oak Shadow Lane NE Atlanta, GA



The contents of this communication: (i) do not constitute an offer of securities or a solicitation of an offer to buy securities, (ii) offers can be made only by the confidential Private Placement Memorandum (the "PPM") which is available upon request, (iii) do not and cannot replace the PPM and is qualified in its entirety by the PPM, and (iv) may not be relied upon in making an investment decision related to any investment offering by the issuing company, or any affiliate, or partner thereof ("Strategic Holdings"). All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM. With respect to the "targeted" goals and performance levels outlined herein, these do not constitute a promise of performance, nor is there any assurance that the investment objectives of any program will be attained. These "targeted" factors are based upon reasonable assumptions more fully outlined in the Offering Documents/ PPM. Consult the PPM for investment conditions, risk factors, minimum requirements, fees and expenses and other pertinent information with respect to any investment. These investment opportunities have not been registered under the Securities Act of 1933 and are being offered pursuant to an exemption therefrom and from applicable state securities laws. Past performance and statements regarding current occupancy and earnings are no guarantee of future results. All information is subject to change. You should always consult a tax professional prior to investing. Investment offerings and investment decisions may only be made on the basis of a confidential private placement memorandum issued by Strategic Holdings, or one of its partner/issuers. Strategic Holdings does not warrant the accuracy or completeness of the information contained herein. Thank you for your cooperation. *Securities offered through Emerson Equity LLC Member: FINRA/SIPC. Only available in states where Emerson Equity LLC is registered.* Emerson Equity LLC and Strategic Holdings are not affiliated.