



## Estimated Income Fund I Equity:

Month/Year	June 2016	July 2016
Estimated Value of Fund	\$83,000,000	\$93,500,000
Third Party Debt	\$35,800,000	\$41,600,000
Estimated Total Equity of Fund	\$47,200,000	\$52,000,000
Members' Invested Capital (1A, 1B, 1C, 1D)	\$47,200,000	\$48,000,000

As of July 31, 2016

Call Investor Relations to RSVP  
for an Educational Event:

Lunch and Learn  
August 11th - Westlake Village

Seminar  
August 23rd - Palos Verdes

Seminar  
September 24th - Newport Beach

## Strategic Holdings Monthly Update

*Dear Investors,*

As we wind down our renovations and work to stabilize our 3 properties, we are actively seeking to acquire new investment opportunities. As we find opportunities, we raise capital from investors. Strategic Holdings currently has 3 properties under contract as of June 29, 2016. We are also considering attempting to acquire 2 other properties that we believe fit our investment fund strategy. In order to capitalize on these opportunities, we are offering limited special incentives to our investors. See below for property information and details of our limited time offering.

### **The Birches, 2318 Cecil Road, Richmond, VA**

The Birches is a 98-unit, 92% currently occupied, 1956-vintage apartment community located in north central Richmond Virginia. The property went under contract April 12, 2016 at a purchase price of \$5,450,000, or \$56,122/unit, which is a cap rate of 5.7% going-in and 7.5% pro-forma. The property is situated 1.6 miles north of Virginia Commonwealth University (32,000 enrolled), .2 mile north of Virginia Union University (1,700 enrolled) and 3.4 miles northwest of downtown

### **Investor Relations Announcement**

Please updated your contacts:  
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Richmond. The corridor near the property is being revitalized. It's our belief that the seller, who has owned it since 1988, has mismanaged it. We have an \$800,000 renovation budget to renovate unit interiors, paint the exterior, replace roofs, sealcoat the parking area, renovate the laundry room and upgrade landscaping, after which we expect to increase rents a minimum of \$50 per unit. Our target is to close in July on an 83% loan, 7 year term at 4.45%.

### **Camelot Apartments, 106 Castle Drive, Dothan, AL**

Camelot is a 150-unit, 93%

currently occupied, 1976-vintage apartment community in Dothan, Alabama. The property is centrally located within Dothan and has excellent visibility. Dothan is located 87 miles north of Florida gulf coast and Panama City. The property went under contract on June 27, 2016 at a purchase price of \$6,135,000, or \$40,900/unit, which is a cap rate of 6.75% going-in and 8.05% pro-forma. The cap rates include in expenses underwritten reserves of \$550 per unit. Strategic will assume a 68% HUD loan at 3.55% interest (inclusive of PMI is 4% interest) fixed for a remaining 33 years. Closing is tentatively targeted for year-end. We have a \$650,000 renovation budget to renovate all interiors, replace 30 HVACs and install W/D connections in 30 units, after which rents will be increased an average of \$71/unit.



### **Belmont Crossing Apartments, Smyrna, GA**

Belmont Crossing is a 192-unit, 95% currently occupied, 1969-vintage apartment community located in Smyrna, Georgia, a growing suburb 17 miles northeast of downtown Atlanta. The property is located within 5 miles of the interchange of Interstates 75 and 285, which is the site of the new Atlanta Braves baseball park. The area is undergoing new development and has many nearby employers. The seller has agreed upon a price of \$11,075,000, or \$57,682/unit, and the contract is in process of being signed. The cap rate is 6.25% going-in and 8.25% pro-forma. We have a \$940,000 renovation budget to renovate 146 unit interiors and spend \$40,000 on minor exterior needs, after which rents will be increased an average of \$80/unit.



### **Investment Opportunities**

Any new funds (non-IRA fund only; retirement funds and ERISA retirement funds are not eligible) into Series 1A- 8.5% targeted and Series 1B – 10% targeted we will increase the target by an additional 2% bonus for the first year (paid out monthly depending upon performance and available funds). Effective July 1, 2016 through August 31, 2016. (Series 1B 10% targeted may be limited based on sales and may close)



Example: If you invest \$100,000 into Series 1B –10% targeted, you may receive up to 12% for the first year (paid out monthly depending upon performance and available funds) then up to 10% going forward.(See current PPM for fund specifics)

Example: If you invest \$100,000 into Series 1A – 8.5%targeted, you may receive 10.5% for the first year (paid out monthly depending upon performance and available funds) then up to 8.5% going forward. (See current PPM for fund specifics)

8 unsecured notes ~ for terms and rates please contact : Patty Franklin  
805-764-5128 Email: pfranklin@strategicPEadvisors.com EVP of Investor Relations / Investment Advisor

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