



Estimated income Fund I Equity:

Month/Year	April 2017	May 2017
Est. Value of Fund	\$116,691,620	\$148,046,620
Third Party Debt	\$51,712,856	\$78,152,911
Est. Total Equity of Fund	\$64,978,764	\$69,893,709
Series 1 M (Equity Cushion)	\$3,903,311	\$6,500,000
Series 1D	\$2,460,245	\$2,466,362
Series 1C	\$22,086,781	\$22,157,188
Series 1B	\$24,384,802	\$24,194,482
Series 1A	\$12,143,625	\$13,816,312
Total Member Invested Capital	\$61,075,453	\$63,042,453

Call Investor Relations to RSVP for an Education Event:

Lunch and Learn

June 8th 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 May 26, 2017 our fund is estimated to be valued at \$145,546,620"

Dear Investors,

On May 18th Strategic Holdings closed escrow on two properties in the growing Brookhaven/Chamblee area of Atlanta, GA. Located just east of the Buckhead submarket, Brookstone Village (154 units) and Brookstone Terrace (135 units) are two of the most recent acquisitions by Strategic.

This submarket has a low vacancy rate of 4.8% and is currently experiencing strong

rent growth, employment growth, and population growth. All of these factors weighed heavily in our decision to invest in this market.

Both properties are currently running in the mid to high 90's in occupancy and more importantly, are profitable from day one. They are considered value-add deals, meaning that we will invest \$6,000 - \$7,000 per unit in upgrades and we also plan to cure any exterior deferred maintenance. Completing

these improvements will allow us to raise rents at both properties up to the current market rents. Raising rents has the potential of not only increasing the yearly NOI (net operating income), but also substantially increasing the value of the properties.

The purchase price for Brookstone Village was \$13,360,000 and was appraised for \$13,900,000 representing \$540,000 of "instant equity" upon closing.

REFINANCE

Broadmoore Gardens

On May 10th, we completed the refinancing of Broadmoore Gardens apartments, a 353 unit apartment complex located in Tuscaloosa, Alabama. Through Berkadia Commercial mortgage we were able to secure a \$8,875,000, ten year fixed rate mortgage at 4.29%. This loan amount represents a 69% LTV loan, based on an appraised property value of \$12,875,000. In addition, we were able to cash out approximately \$4MM proceeds.

Camelot Apartments

On May 12th, we completed the refinancing of Camelot apartments, a 287 unit apartment complex located in Jackson, MS. Also through Berkadia, we secured a \$5,743,000, 10 year fixed rate loan at 4.35%. This loan amount represents a 61.5% LTV loan, based on a \$9.35mm appraisal. We were able to cash out approximately \$3MM in proceeds, which, in conjunction with the \$4mm in proceeds from the Broadmoore Gardens re-

finance, were able to acquire Brookstone Village and Brookstone Terrace (\$24.76mm in assets)

As we acquire more properties, we have been very thankful to see the historical performance of our portfolio grow and stabilize over time. Management is currently working on proposed changes to increase our 100 million dollar offering to 250 million dollars, along with other revisions to the Private Placement Memorandum (“PPM”) and Operating Agreement (“OA”) which we believe will position the LLC to continue to evolve and grow. After our financial and legal advisors approve these proposed changes, we will mail out the information in detail with a ballot vote for all of our investors.

We have also extended the 2 point bonus on Series 1A (non IRA) until the end of June 2017. Feel free to contact Patty Franklin at 805-764-5128 if you have any questions.

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 June 30, 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



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.