



Estimated Income Fund I Equity:

Month/Year	January 2016	February 2016
Estimated Value of Fund	\$77,409,000	\$78,250,000
Third Party Debt	\$37,731,000	\$38,718,000
Estimated Total Equity of Fund	\$39,678,000	\$39,530,000
Members' Invested Capital (1A, 1B, 1C)	\$34,000,000	\$35,870,000

As of February 29, 2016

Series 1A 8.5%
&
Series 1B 10%

Still available to
new investors

THE CEO's DESK

Dear Investors,

Two topics for this month's column: a few highlights from Freddie Mac's outlook for multifamily and an update on our new Class 1-D equity interests...

According to the new Freddie Mac Multifamily Outlook, Freddie Mac anticipates that the multifamily housing market will continue to remain strong in 2016, stating that renter demand is expected to absorb the new units being built with much of the demand due to favorable demographic trends and reduced affordability of owning a home.

David Brickman, Freddie Mac's EVP of Multifamily, writes that the market is continuing to grow which is "clearly due to the overall trend we see in multifamily in terms of the movement to renting and growth in rental housing" while Steve Guggenmos, Freddie Mac's Multifamily VP of Research and Modeling, goes on to anticipate that "vacancy rates [should] inch up to 4.8% by 2017, which is still below the long-run average of 5.3% and that independent of that shift in housing preference, there's also growth coming from household formation and new jobs." It is nice to hear that

Freddie Mac is as bullish on multifamily in the next few years as we are!

In terms of Strategic Holdings equity offerings, we offer a quick update on our Series 1-D Membership Interests. For Investors interested in participating in the Series 1-D Membership Interests, we will be accepting limited investments in Series 1-D Membership Interests in the following manner: once an investor signifies an intent to participate in the Series 1-D Membership Interest, the investor will make their investment into the

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2840 Robinson St. Jackson, MS

Fund through the Series 1-B Membership Interests. Then, Strategic Holdings will “hold” the investment in Series 1-B Membership Interests temporarily until it is determined that the risk/opportunity timing is right to place the investor into Series 1-D Membership Interests (it being anticipated that investors will be placed into Series 1-D Membership Interests within 12 months of their initial investment). Strategic will honor the January 2016 par value of Series 1-D Membership Interests for those investors who subscribe prior to April 1, 2016

As a reminder, Strategic Holdings can sell up to \$20 million in Series 1-D Membership Interests at a current share price of \$1,000 per share (which will be marked to real-time intrinsic value after April 1, 2016), where Investors will receive a preferred annual rate of 10% plus 25% of the gain realized by the LLC upon the sale of assets, along with 25% of annual Adjusted Net Profits (specifically, each unit of Series 1-D will receive 1/20,000th of 25% of the gain and annual adjusted net profits). We encourage you to call us to learn all the details of how to be placed on the waiting list while earning a 10% preferred rate in the interim!



Ask Patty



EVP of Investor Relations

For those of you who are not aware, we can directly deposit your dividends each month into your checking account. If you would like to start the direct deposit, please contact Diane Rangel at 805-410-4624 to get the direct deposit form.

Also you can now view your account online. If you have not received your letter of instruction on how to access your account, please contact Jim Gaiser in our accounting department to help get you started. His direct line is 805-436-3497.

K1 Forms will be sent out towards the end of March 2016.

This is not an Offer to Purchase or Sell Securities. This overview is for informational purposes and is not an offer to sell or a solicitation of an offer to buy any securities in the Private Placement Memorandum (PPM) of Strategic Diversified Real Estate Holdings, LLC. and may not be relied upon in connection with the purchase or sale of any security. Interests in the PPM, if offered, will only be available to parties who are “accredited investors” (as defined in Rule 501 promulgated pursuant to the Securities Act of 1933, as amended) and who are interested in investing in the PPM on their own behalf. Any offering or solicitation will be made only to qualified prospective investors pursuant to a confidential offering memorandum, and the subscription documents, all of which should be read in their entirety.