

Estimated Fund Equity: April 2015*

Month/Year	March 2015	April 2015
Estimated Value of Fund	\$61,750,000	\$61,600,000
Third Party Debt	\$30,375,000	\$30,365,000
Estimated Total Equity of Fund	\$31,375,000	\$31,235,000
Members' Invested Capital (1A, 1B, 1C)	\$16,596,000	\$17,400,000

*As of April 30, 2015



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STRATEGIC UPDATE

Dear Investors,

We are happy to announce that the 2014 audit is completed! As you will see, last year was a profitable one and we are proud to share the results with you. In 2014, we acquired 1,750 multi-family units for approximately \$24 million. After these units are stabilized and repositioned, we estimate that they will have a market value of over \$63 million.

In 2014, our investor base grew from \$12 million to nearly \$20 million, which includes \$4 million invested by management and its affiliates.

With over \$3 million raised thus far in 2015, we are anticipating another strong year.

Currently the Fund contains 45% leverage (3rd party debt, secured by the real estate). It is our intention to take advantage of the capital markets and low interest rates and place prudent, yet proper additional long term financing on the fund's assets, which will ultimately lower our overall cost of capital, increase cash flow and remove interest rate volatility over the foreseeable future.

We are actively seeking new assets to acquire that meet our tough underwriting criteria.

We continue to have substantially more opportunities

The 2014 audit is completed!

to acquire commercial assets at favorable pricing than we have available equity to invest.

If you have any questions about the audit, please feel free to reach out to Brian Alonge, CFO at (805) 436-8467 and if you would like to receive a hard copy of the audited financials please contact Investor Relations at (805) 436-3446.





An Update on the Windsor Townhomes

Occupancy increase from 73.4% to 91.8%

When Strategic purchased the Windsor Townhomes in May of 2014, the occupancy was only 73.4%. After approximately \$560,000 in renovations and improved management, the occupancy has climbed to 91.8%. The property was purchased for \$4,751,250 or \$25,822/unit. We recently received an unsolicited offer of \$7,200,000 or \$39,130/unit and respectfully declined the offer because we are very bullish on the future of the Dallas Fort Worth area and this property's potential. We believe that we can sell the property in five to seven years for approximately \$9 million due to strong economic indicators, rent increases, and a strong renter demand.

Windsor Townhomes is a 184 unit apartment complex that offers a leasing office, clubhouse, and two swimming pools. The property's units include walk-in closets, ceiling fans, nine foot ceilings, washer and dryer connection, built in microwaves, private patios and balconies.

The property is located in Dallas, TX, which is the ninth most

populous city in the United States with a population of 1.3 million. The Dallas-Fort Worth-Arlington metroplex has a population of 7 million, and is the six largest metropolitan economy in United States with an annual GDP of \$448 billion. Dallas has experienced substantial population growth over the last five years due to its diversified economy, educated employment base, relatively low cost of living, no state or local income tax, and a strong pro-business environment. Dallas is considered a transportation hub because it's situated along the highway system that converges with four major interstate highways. The airport is third busiest airport in the world by aircraft movements, and the ninth busiest airport in the world by passenger traffic.

Dallas has several major employers including AMR Corporation, Bank of America, Texas Health Resources, Dallas ISD, Baylor Health Care System, AT&T, Lockheed Martin Aeronautics, and JP Morgan Chase. The Dallas-Fort Worth-Arlington metroplex has more than 70,000 firms and 90,000 physical business establishments.

In our April 2015 issue, we erroneously reported that the Members' Invested Capital in tranches 1-A, 1-B, and 1-C was \$59,366,000 in March 2015. In fact, the correct value in March 2015 is \$16,596,000.

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.

Many of you have referred your friends and family to us. We thank you for your trust, and want you to know we offer \$500 as a token of our appreciation.

Ask Patty



EVP of Investor Relations

We will be having an educational financial seminar at the Four Seasons in Westlake Village on Tuesday May 19th at 10 am. Our investors are always welcome to attend. Several investors have attended multiple seminars, leaving with new knowledge and current updates about our Fund. If you would like to attend please email me at PFranklin@StrategicHoldings.com or give me a call at 805-764-5128.