

Investor News

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Estimated Income Fund I Equity:

Month/Year	September 2016	October 2016
Estimated Value of Fund Includes 3MM Cash	\$116,000,000	\$122,500,000
Third Party Debt	\$51,500,000	\$54,600,000
Estimated Total Equity of Fund	\$64,500,000	\$67,900,000
Members' Invested Capital (1A, 1B, 1C,1D)	\$56,000,000	\$58,500,000
As of October 31, 2016		

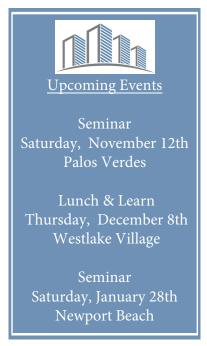
Strategic Holdings Monthly Update

Dear Investors.

In the beginning of 2016, our reach portfolio was in the middle of occupancy by year end. multiple renovations. renovations are winding down, those units are immediately being we will be finished with renovations marketed for lease as soon as they completed. Currently our portfolio is about 78% occupied which includes a total of 2906 units owned of which 615 units are vacant. The 615 units include the 250 unit parcel that we are under contract to sell in December. Once the expected sale of these 250 units is final (one of the parcels of Meadow View Townhomes), we anticipate that our portfolio will

90% approximately We As the completed renovations Broadmoore Gardens, and expect at Camelot Apartments by the end of November 2016.

> Broadmoore Gardens is a 353 unit apartment complex in Tuscaloosa, Alabama. We purchased property in December 2014. At the time of acquisition the property was about 30% occupied. With the completion of the renovation, we are currently at 85.6% occupied and anticipate reaching 90% by the end



of November 2016.

Camelot Apartments is a 287 unit apartment complex in Jackson, Mississippi. We purchased this property in September 2014. At the time of acquisition, the property was about 45% occupied. While nearing with the completion of our renovations, we are currently at 83% occupancies and anticipate reaching 90% by the end of 2016.

Oak Garden is a 95 unit apartment complex in Chickasaw, AL. We purchased this complex in February of 2015. The occupancy was at

60% at the time of acquisition, currently, the occupancy is 95.8%.

Meadow view is a 650 unit apartment complex in Newport News, Virginia. We purchased this complex in November 2014. At the time of acquisition the property was about 25% occupied. As stated above, we are contracted to sell 250 of the 650 units in December 2016. The remaining 400 unit parcel that will remain in the portfolio is currently 75% occupied. We anticipate completing the renovations to the 400 unit parcel by the end of the first quarter 2017.

We have attached a current occupancy report for our portfolio, and look forward to the progression as we continue to lease up the unoccupied units.

Feel free to contact Patty Franklin 805-764-5128 if you have any questions.









Belmont Crossings - 1940 Atlanta Rd SE, Smyrna, GA:

Belmont Crossing is a 192-unit, 95% 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. We acquired the property on September 8, 2016 for \$11,075,000 (\$57,682/unit). 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.





you successful 2016. Our fund has different series (Series 1A, 1B, 1C, 1D) that are positioned and paid in different ways based on risk/reward. Series 1A is the only equity series that currently available to investments whether you are a new investor or a current investor. Please contact me if you have any questions on our fund or Series 1A.

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