

## Estimated Gain on Held Assets: August 2014\*

ASSET TYPE	TOTAL INVESTED	ESTIMATED REALIZABLE VALUE	PROJECTED PROFIT
Notes	\$6,300,000	\$10,000,000	\$3,700,000
Real Estate	\$21,100,000	\$24,400,000	\$3,300,000
Total	\$27,400,000	\$34,400,000	\$7,000,000

\*As of August 31, 2014



### THE CEO'S DESK: Milestones Reached *Audit on Financials Complete!*

*"2013 Audit is complete.  
The Fund had an  
outstanding year."*

Dear Investors,

August was an exciting month for Strategic Holdings. Our audit was completed. Earlier this month you received a copy of our audited financials. I speak on behalf of our team when I express how happy we are to share the results with you.

The Fund had an outstanding year. After servicing all debt and an average of 11.9% annualized equity payments to Investors, the Fund earned an additional \$3.2 million in profits, which was 69% of total funds invested.

Thus far in 2014, per unaudited financials, net income to the fund

was \$4.4 million (after all debt costs and paying all Investors an average yield of 11.4%). Notably, this profit equals 31% of the total funds invested and that's *above* Investor distributions. In 2014 we have seen our Investor base more than double, from \$2 million to \$12 million. We take pride in earning the support and trust of so many new members.

In August, we also saw the completion of our newly redesigned website. A lot of effort went into putting together a new site that is both more user-friendly and informative. Weekly blog posts are featured on the new site,

so make sure to check them out at [www.StrategicHoldings.com/blog/](http://www.StrategicHoldings.com/blog/) to stay informed on relevant issues and "like" our Facebook page at [www.Facebook.com/StrategicHoldings](http://www.Facebook.com/StrategicHoldings) to stay up-to-date on Strategic Holdings news, events, and special offers.

I thank you for your continued support. I love hearing from our Investors, so if you have any comments or suggestions please don't hesitate to call.

Enjoy the rest of summer!





## Cash Flow is the name of the game!

### 104-Unit, Collins Park Apartments located in North Charleston, SC

In October 2013, Strategic Holdings bought the mortgage that was secured by Collins Park, a 104-unit multifamily property located in North Charleston, South Carolina. Strategic paid \$3,169,687 while the mortgage had a balance of over \$5,000,000 including unpaid interest and late fees. In May 2014, Strategic foreclosed on the property and now holds title to the property.

Strategic is in the process of completing all deferred maintenance to reach market occupancy and rental rates. That work is underway and includes reroofing 85% of the buildings, installing all new gutters & downspouts, repairing soffits and wood siding, painting the entire exterior and repairing the 8 down units. Those repairs are estimated at \$750,000 and will add excellent value to the property.

Collins Park is relatively easy to rent because of their spacious townhome style units. When Strategic took ownership, the property had an occupancy of 89% (11 vacancies) and was already very profitable. Our current occupancy is 92%.

Boeing operates a large facility that virtually neighbors Collins Park and employs 7,500 people. They recently announced that they will be producing the 787-10 (the largest version of the popular, back-ordered commercial jetliner) exclusively at that factory. Clearly a great sign for the local economy and part of the reason the property is easy to rent.

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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.

This investment has already proven to be very lucrative. Our current budgeted Net Operating Income (NOI) is \$507,000. We are projecting an NOI of \$560,000 once we complete the renovations and are able to reach market rent on the majority of the units. With a capitalization rate of 8.5%, the property will be valued at about \$6.6M. Strategic will have just under \$4.0M invested and will receive roughly \$46,600 in monthly income.

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