



Estimated Income Fund I Equity:

Month/Year	July 2015	August 2015
Estimated Value of Fund	\$66,639,000	\$68,505,000
Third Party Debt	\$33,400,000	\$34,530,000
Estimated Total Equity of Fund	\$33,239,000	\$33,975,000
Members' Invested Capital (1A, 1B, 1C)	\$24,187,000	\$25,600,000

We will see you on
September 17th
for our
Annual Investor
Appreciation
Dinner!



THE CEO's DESK

Dear Investors,

Total employment now stands at 3.5 million greater than the pre-recession peak and the maturing employment cycle supports nationwide apartment demand. Household formations continue to grow as economic advancement supports de-bundling, and young adults increasingly move out to form their own households. The trend has already emerged in the strongest employment markets and it is migrating to secondary and tertiary markets as the economic momentum spreads. Many apartment investors are increasingly targeting secondary and tertiary markets in an effort to

enhance yield which should compress capitalization rates and increase the value of the 2,600 apartment units currently owned by Strategic Diversified Real Estate Holdings, LLC ("Fund I") and Strategic Holdings Growth Fund II.

Recent Acquisition

In terms of the Fund, a sweet peach in Georgia, on June 1, 2015, Strategic Holdings acquired a first position mortgage, secured by twelve condominium units in Calhoun Georgia, for a whopping \$195,000. The condos were built

"WE ARE PROUD TO
WELCOME DERRICK
GRUNER TO
THE STRATEGIC
HOLDINGS TEAM."

in 2007, rent for \$600 each, and have a retail value of approximately \$50,000 each. The original principal loan balance was \$604,427. The foreclosure sale is scheduled for September 1, 2015 and we hope to be the proud owner of these units or get paid off at auction for a minimum of \$400,000. We will keep you posted.

Recent Refinance

More good news, we just completed the refinance of 104 apartment units in South Carolina. Strategic Holdings

Estimated Growth Fund II Equity:

Month/Year	July 2015	August 2015
Estimated Value of Fund	\$12,500,000	\$12,500,000
Third Party Debt	\$7,701,000	\$7,698,000
Estimated Total Equity of Fund	\$4,799,000	\$4,802,000
Members' Invested Capital (1A, 1B, 1C)	\$0	\$500,000

originally acquired the note from a special servicer September 2013, completed the foreclosure in April 2014 (while receiving cash collateral payments of several hundred thousand dollars), and refinanced the property this week for \$5 million on a 10 year fixed rate loan. After fully repositioning the asset, we now only have \$200,000 of paid in equity with substantial equity, and anticipate almost \$300,000 in annual positive cash-flow.

New Team Member

We are pleased to announce the addition of Derrick B. Grüner, Esq. to our team as Executive Vice President & General Counsel. He is a 24 year veteran of the real estate finance industry with a focus on banking, finance, and real estate with broad transactional knowledge as well as a substantial litigation practice.

Prior to joining the Strategic Holdings team, he was General Counsel & Chief Legal Officer

at Genesis Capital, Counsel at Anchor Loans, and before that, a partner at a large east coast law firm. Mr. Grüner is a recognized leader in the field, is frequently asked to moderate and present at industry conferences throughout the United States, and is published, quoted, and featured in a variety of publications and trade journals. Mr. Grüner will play an instrumental role in safeguarding Strategic Holdings in its daily operations in addition to guiding it in its progression as the manager of two noteworthy private real estate Funds.

As always if you have any questions please do not hesitate to contact me (805)764-5127 & Blevenson@strategicholdings.com or Patty Franklin (805)764-5128 & Pfranklin@strategicholdings.com.



**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

The stock market has shown great volatility with concerns of a correction. Most of you probably have seen and felt the triple digit intraday moves. Investors called in with concerns about our Fund and its exposure to the stock market. The benefits of our Fund being private and not publicly traded are that our Fund is not exposed to market volatility. Our Fund makes great acquisition purchases and generates strong cash flow from rental income. Having an asset class such as our fund that is non-correlated to the stock market can strengthen your portfolio. If you have any questions, feel free to contact me directly (805)764-5128.

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.