

## Estimated Fund Equity: June 2015\*

Month/Year	May 2015	June 2015
Estimated Value of Fund	\$74,300,000	\$73,500,000
Third Party Debt	\$38,000,000	\$39,000,000
Estimated Total Equity of Fund	\$36,300,000	\$34,500,000
Members' Invested Capital (1A, 1B, 1C)	\$20,475,000	\$22,172,000

\*As of June 30, 2015



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## STRATEGIC UPDATE

### Dear Investors,

We are proud to announce a few additions to the fund—with the most important being an increase in the fund's maximum offering. As of July 2015 the maximum offering has been increased to \$100 million. Know that the proportional allocation of the tranches remains the same, so as not to dilute any of the tranche protections in any way. As we continue to grow, we've expanded the investment allowance.

In addition to increasing the maximum offering, we've also made changes to the minimum investments in the three tranches (1-A, 1-B, and 1-C). All investments made going forward will need to fall within these requirements: \$25,000 minimum investment in the 1-A tranche; \$50,000 minimum

investment in the 1-B tranche; \$100,000 minimum investment in the 1-C tranche. The 1-D tranche is put in by managers in a first loss position and the value will not change. It is required to have the minimum value of either 5% of the funds raised to date or \$2 million. We made these changes to accommodate the needs of our growing number of investors.

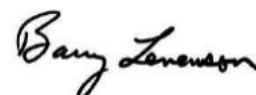
These changes represent growth for Strategic Holdings, but will not affect dividends received on your current investments. On that note, we would like to assure you that any investments made prior to July 15, 2015 need not abide by the

*Income Fund I offering has been increased to \$100 million!*

new fund requirements. The changes made to the Private Placement Memorandum will in no way affect any existing investment.

All changes are clearly stated in the Private Placement Memorandum (PPM), with the updated version available at your request via email at [diane.rangel@strategicholdings.com](mailto:diane.rangel@strategicholdings.com); or call us at 805-436-3446 and we will mail you a copy.

Thank you,



OFFERING SERIES	OFFERING STATUS	PREFERRED RETURN	PRICE PER UNIT	MINIMUM PURCHASE (25, 50 or 100 UNITS) <sup>1</sup>	MAXIMUM OFFERING UNITS <sup>2</sup>	MAXIMUM OFFERING RAISED	MINIMUM OFFERING RAISED <sup>3</sup>
1-A Equity	AVAILABLE	8.50%	\$1,000	\$25,000	25,000	\$25,000,000	\$25,000,000
1-B Equity	AVAILABLE	10.00%	\$1,000	\$50,000	20,000	\$20,000,000	\$20,000,000
1-C Equity	AVAILABLE	12.00%	\$1,000	\$100,000	50,000	\$50,000,000	\$50,000,000
1-D Manager	FUNDED/ Manager Only	NONE	\$1,000	\$2,000,000	N/A	OPEN	Min: (a) 5% of funds raised; or (b) \$2,000,000



## Major improvements = Massive increase in value

### Broadmore Gardens Tuscaloosa, Alabama

Broadmore Gardens is a 361 unit apartment complex in Tuscaloosa, Alabama. Strategic Holdings purchased the complex in December 2014. The property’s amenities include a swimming pool, recreational room, onsite laundry rooms, two playgrounds, and a movie rental service.

At acquisition the property was suffering from a significant amount of deferred maintenance due to neglect and mismanagement. These factors prevented the property from competing in the market place; its occupancy dropped to 38% in a market with a 95% occupancy rate. As part of our due diligence we estimated a renovation budget of \$3.2 million that addressed all of the property’s deferred maintenance, which consisted of new windows, doors, driveways, rain gutters, landscaping, major pool repairs, 200+ unit renovations and upgrades, and perimeter fencing.

The property is still under renovation, which is scheduled to be completed in September 2015. So far great strides have been made in completing all of the noted repairs and upgrades. As of today, the property is close to 60%

occupancy—and climbing. Currently, there is a long waiting list of approved tenants ready to occupy rent-ready units. In addition, as part of the repositioning process, the property’s onsite management has been receiving ongoing training, and implementing corporate policies and procedures. The onsite management has also implemented improved tenant screening processes, which have improved the property’s tenancy.

The City of Tuscaloosa is considered the regional center of industry, commerce, healthcare, education, and is known as West Alabama. The Tuscaloosa MSA consists of Tuscaloosa, Hale, and Pickens Counties with a combined population of 235,628. Tuscaloosa’s unemployment rate is 5.6%.

With an acquisition price of \$4,850,000 and a renovation budget of \$3,200,000, the result is an approximate all-in price of \$8,050,000. Once the property’s renovations are completed and the occupancy is up to market standards, the property’s estimated value will be \$14,000,000, an increase in value of 73.9%!

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*

Since we announced the new Fund, several people have asked me when they can make an investment in the Growth Fund II. I’m happy to announce you can invest in our Growth Fund II now! Your initial investment will be placed in the Income Fund I Series 1-A at 8.5% where your money will immediately earn dividends. Later this month, we will be transferring all of the intended Growth Fund II investments to the Growth Fund II (with a 8% preferred annual rate). Our goal is to transfer one lump sum into the Growth Fund II. Please contact me if you have any questions.

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.