

Estimated Gain on Held Assets: July 2014

ASSET TYPE	TOTAL INVESTED	ESTIMATED REALIZABLE VALUE	PROJECTED PROFIT
Notes	\$7,900,000	\$12,400,000	\$4,500,000
Real Estate	\$23,400,000	\$25,300,000	\$1,900,000
Total	\$31,300,000	\$37,700,000	\$6,400,000



THE CEO'S DESK:

Milestones Reached
2014 projections on track!



Dear Investor,

We held our annual investor dinner at Mediterraneo in Westlake Village on July 10th, 2014. We would like to thank all attendees for making this a spectacular event! Watching each of you get to know one another, and our Strategic Holdings family, was especially heartwarming to me.

For those who could not make it, the dinner was also an opportunity to celebrate the milestones we have reached!

We have collectively raised over \$10 million in investor funds. We have also accumulated over \$10 million dollars in commercial assets in 2014. We are now in 13 states and our current portfolio is valued at approximately \$36 million dollars based on unrealized

values; this is compared to \$25 million dollars at the beginning of 2014. We could not have accomplished these goals without the participation of our Strategic Holdings investor family.

In addition to these milestones, we also discussed the year end acquisition goals for 2014. We project to acquire another \$25 million in commercial assets and are on track to reach our acquisition goals by December 31, 2014.

We have a very strong pipeline of investment opportunities, and our well-vetted acquisition team is working hard to cherry pick those assets that fit our stringent guidelines, and to provide strong cash flow. Strategic Holdings strongly believes that "the profit



is in the acquisition and management; appreciation is only a bonus!" As always, I invite you to call with comments, suggestions or just to say hello. Your input and feedback is valuable to us.





Over \$1 million in unrealized profit!

112-Unit, Pine Ridge Apartments located in Gadsden, Alabama

Pine Ridge Apartments is the collateral property of a note acquisition in June of 2013. Strategic Holdings bought the note on this property for \$1,916,250. In October of 2013, Strategic Holdings was able to acquire the title of the property with a Deed in Lieu of Foreclosure. The property's occupancy rate was about 88% at the time of the Deed in Lieu, and after taking title, minor repairs and maintenance were completed. The property continues to manage an average of 90%+ occupancy.

The excellent on-site management has been in place since the 1980s. We have provided the on-site manager with updated software

and marketing tools to run the complex even more efficiently. As a result, occupancy this month has reached 92%. In addition to better occupancy rates, we are also raising rents slightly, to align with current market rates, which will positively affect the value of the property. Because of the strong net operating income of over \$23,000/month, our plans are to retain the property long term and enjoy the cash flow.

We recently received an MAI appraisal of \$3.25 million, making this a wonderful, almost turnkey, investment without the usual management intensive "turnaround" of a distressed property.



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Strategic Holdings

Investor Dinner Appreciation 2014



Together We Grow More.