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## Dear Jon:

In future issues of *Perspectives*, we will be answering your questions about the Stonecrest Private Capital Fund using this column. Jon Freeman, Stonecrest's President, is our resident expert and he and his team have agreed to take one or two of your questions about the Fund, and answer them in this monthly forum for the benefit of all. Have a question for Jon? Please email it to Joan Verduzco, Fund Administrator, at [jpverduzco@stonecrest.net](mailto:jpverduzco@stonecrest.net). Please put 'Dear Jon' in your subject line. Both basic and complex questions are invited and all inquiries will receive a response from Stonecrest. **S**

## Investor Profile: Atiq Taymuree

Atiq Taymuree was born in Afghanistan and came to the United States in 1976 in order to attend college. In 1981, he and his brothers opened an auto repair business in California and, as they became more successful, expanded into several locations. But though they owned the business, they did not own the property on which they worked. So, in 1990 they consolidated the business back to one location and purchased the property. They demolished the existing structure and erected a custom building to house their auto repair and body shop business. Then, in 2004, Atiq joined with other family members to purchase a gas station in Brentwood, California. They expanded that business to include a car wash, ice cream shop, coffee shop, restaurant, and small grocery store. He has two daughters, both of who have graduated from U.C. Berkeley. One is currently working for Safeway Corporation, and

*cont. p2*

## Feature Article: Last Year's Predictions in Review

By: Stephanie Clifford (reprinted from *Inc.com* – 12/06)

### **A look back at the trends we expected to see in 2006**

#### **Fuel Prices**

*What we said:* They would remain high but not top post-Katrina levels.

*What happened:* Gas prices stayed below post-Katrina levels, while oil prices jumped above those levels from mid-April through the end of the summer.

#### **Blogging**

*What we said:* All sorts of companies would sponsor blogs.

*What happened:* Company blogs are indeed just about ubiquitous.

#### **Logistics**

*What we said:* Ports wouldn't be as clogged as they were in 2005. In trucking, capacity would improve, but the driver shortage and fuel prices would push up costs.

*What happened:* Ports were less congested than last year. The truck driver shortage continues, but prices leveled off thanks to lower demand.

#### **Real Estate**

*What we said:* Residential prices would drop but not precipitously; commercial rates would stay near all-time highs.

*What happened:* Residential sales did weaken during the year, while commercial prices remained high. In the third quarter, office rents rose 2.3 percent, the fastest gain in more than five years, according to Reis, a real estate information firm.

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## Company News

This past December marked the first annual Stonecrest Private Capital Fund holiday party. We were pleased to welcome 42 of our Fund investors to the Plumed Horse in Saratoga where they shared the season's warmth, along with delicious food and drink. Everyone had a great time celebrating with friends – both old and new (I believe that there is a ski trip brewing between 2 expert skiers in the group). We hope to see you all at the party next year!

Christina Gray, Account Executive **S**



## Last Year's Predictions in Review *(cont.)*

### Outsourcing

*What we said:* Companies would go beyond offshoring basic functions to looking for better-trained workers overseas.  
*What happened:* Offshore operations are becoming more sophisticated as 75 percent of companies that go overseas decide where to locate offshore facilities based on "access to qualified personnel," a number that's up 70 percent over the past two years, according to a study from Duke's Fuqua School of Business.

### Interest Rates

*What we said:* The target federal funds rate would hit 4.75 percent by spring and would probably climb even higher.  
*What happened:* The rate went to 4.75 percent in March, 5 percent in May, and 5.25 percent in June, where it has remained. **S**

## Atiq Taymuree *(cont.)*

the other is getting a Masters degree in Business & Finance, and a Ph.D. in Pharmacology at the University of Maryland in Baltimore. He has been married for 29 years to his wife, Lisa, a computer teacher.

Atiq joined the Private Capital Fund for several reasons. First, it was highly recommended by a trusted family member. But just as importantly, he needed to invest money from a recent loan payoff. The diversification offered by the Private Capital Fund appealed to him because it limited his risk, or as he puts it "I didn't want all my eggs in one basket". He likes the concept of the Fund and thinks it makes good sense. Finally, he met Stonecrest's President, Jon Freeman and describes him as a "shrewd business man, down to earth, and with lots of integrity". Atiq says he knows his money is in good hands and looks forward to the Fund's growth. **S**

## Featured Loan: San Francisco

This month's loan addition to our portfolio is 1928 Fillmore Street, in San Francisco. Our loan client inherited this beautiful commercial property from his late partner, debt free. It features an improved 2234 sq. ft. single level, frame and stucco storefront that has been completely updated into an upscale boutique for clothing and hair product sales. It has marble and hardwood finish flooring, drop track lighting, and 12' ceiling lights. As the estate was being administered, our loan client found himself in need of cash in order to handle various estate expenses – and he needed to act very quickly. We were able to evaluate his property through our own appraisal company and determined that it was an excellent investment. The appraised value was \$1.4 million. Within 2 weeks, we were able to provide financing for the loan amount of \$240,000, putting us at 17% loan to value. Our loan client was able to meet the estate's financial obligations and Stonecrest added another attractive loan, nicely secured by a very good piece of property, to our pool. **S**



## Performance Report as of 12/31/06

Last Month's Return: 9.74%                      Number of loans: 32

Gross loan portfolio dollars: \$10,902,945

Average loan to value on loans in the fund: 54.07%

Number of loans in default: 0

Comments: You may notice that last month's return is slightly higher than usual. This is due to a prepayment penalty that came from Jublie West Nonprofit. What a nice way to start the New Year!

### Property Types

