

Performance Report

as of 6/30/11

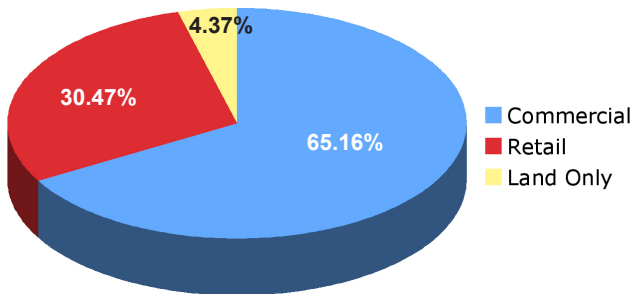
- Last Month's Annualized Return: 7.2%
- Year to date: 7.2%
- Number of loans: 111
- Gross loan portfolio dollars: \$36,996,447
(79% in 1st and 21% in 2nd position)
- Average loan-to-value: 44.42%*
- Average loan amount: \$333,301

*calculated when loans are initially funded

Past 12 Month's Annualized Returns:

<u>Month</u>	<u>Income Partner</u>	<u>Growth Partner</u>
July '10	7.2%	7.4%
Aug '10	7.2%	7.4%
Sept '10	7.2%	7.4%
Oct '10	7.2%	7.4%
Nov '10	7.2%	7.4%
Dec '10	7.2%	7.4%
Jan '11	7.2%	7.4%
Feb '11	7.2%	7.4%
Mar '11	7.2%	7.4%
April '11	7.2%	7.4%
May '11	7.2%	7.4%
June '11	7.2%	7.4%

Property Types



Featured Property: Emeryville, CA



Our featured property this month is located at 5505 Vallejo Street in Emeryville, California. The property is a 3,024 sqft, 6-unit apartment complex that rests on a 7,900 sqft lot.

The property consists of two wood-frame buildings constructed in 1939. Each building contains three small 2-bedroom, 1-bath apartments. The complex has been improved with periodic updates and the units are in good condition.

Our borrower owned this property free and clear and has a history of being a real estate investor. He wanted to leverage this property in order to invest further and take advantage of real estate opportunities available in this current market. Stonecrest provided a first deed of trust for \$175,000 after having the property assessed at \$595,000. This put us at a 29.41% loan-to-value ratio with a good income producing property. Another great deal for the fund! 