

Performance Report

as of 10/31/11

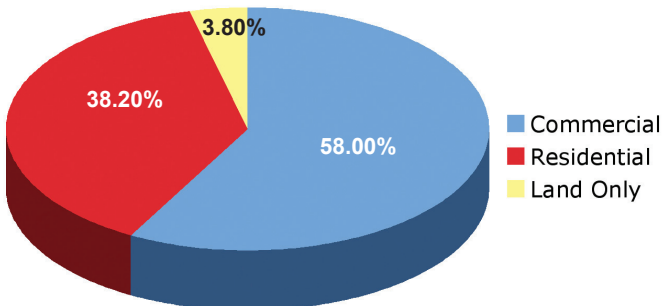
- Last Month's Annualized Return: 7.2%
- Year to date: 7.2%
- Number of loans: 115
- Gross loan portfolio dollars: \$38,878,877 (75% in 1st and 25% in 2nd position)
- Average loan-to-value: 44.66%*
- Average loan amount: \$338,077

*calculated when loans are initially funded

Past 12 Month's Annualized Returns:

<u>Month</u>	<u>Income Partner</u>	<u>Growth Partner</u>
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%
July '11	7.2%	7.4%
Aug '11	7.2%	7.4%
Sept '11	7.2%	7.4%
Oct '11	7.2%	7.4%

Property Types



Featured Property: San Francisco, CA



Our featured property this month is located in San Francisco's Twin Peaks neighborhood at 812 Corbett Avenue. This is a 1,368sqft, single family residence that rests on a 3,863sqft lot. The home was built in 1948 and has 2 bedrooms, 1.5 baths, and a one-car garage.

Our borrower is a real estate investor who wanted to purchase this \$555,000 property for his portfolio. He had an option to pay cash for the house, but then would have lacked the funds needed to remodel the property. Upgrading the premises would increase its rental income potential and was an important part of his investment strategy. At the time of closing, Stonecrest was able to set up a \$300k line of credit in first position for the borrower to use as needed. With the borrower's track record and excellent credit, this 54% loan-to-value purchase is a good deal for the fund and, as the remodel gets completed, the deal will go from good to great! **S**

