

## Performance Report

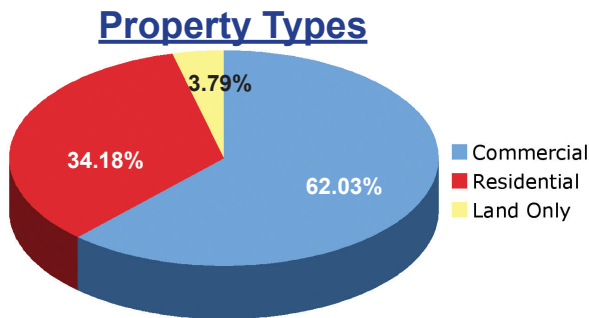
as of 8/31/11

- Last Month's Annualized Return: 7.2%
- Year to date: 7.2%
- Number of loans: 115
- Gross loan portfolio dollars: \$38,904,837  
(77% in 1<sup>st</sup> and 23% in 2<sup>nd</sup> position)
- Average loan-to-value: 44.48%\*
- Average loan amount: \$338,303

\*calculated when loans are initially funded

## Past 12 Month's Annualized Returns:

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



## Featured Property: San Luis Obispo, CA



Our featured property this month consists of two multi-family residences located at 538 Buchon St., in San Luis Obispo, CA. The combined square footage of the buildings is 3,446. They rest on a 8,772sqft lot. One building is a triplex, built in 1900, and consists of two downstairs units and one upstairs unit. The other building is a duplex, built in 1952, and consists of a two-bedroom unit and a studio flat. All units are currently occupied and generate gross rents of \$5,625 monthly.

Our borrower received this property as part of a divorce, which had negatively affected her credit. She needed to pay off a small first lien and do some maintenance and repair work on the property. She was looking for a small line of credit to help her accomplish these goals, and to create reserves while she re-established her credit to get bank financing. Stonecrest had the property evaluated at \$690,000. We provided her with a line of credit in the amount \$150,000 in first position. This put the fund at a comfortable loan-to-value of 22%! **S**

