



Investor Update

ROI Strategies

I hope everyone's holidays were filled with love, laughter, and family and that the New Year has started in the right direction for you. It certainly has for us here at Hughes Private Capital.

One of my best buddies from high school, who is an investor in ROI Strategies, kept bugging me to figure out how to let him make automatic deposits into ROI Strategies so he could set it up and forget about it. The problem is that this is not very practical because of the laws we have to follow with every investment made into ROI Strategies, even including additional investments from existing investors.

Every time we receive an investment, we are required to file a form in the state that the investor resides in because of the "Blue Sky Laws." It is the recordation of the new investment for the state to keep track of how much is being invested into ROI Strategies. It basically puts us on their radar screen.

Now while this is not really that hard to do, it wouldn't make sense to have multiple investors send in \$500 a month and to have to send in a Blue Sky form to each respective state. Plus, they require it within 15 days of the investment so you couldn't just do it once a month unless everyone sent them in at the same time. Then you add the administration portion to it and it just doesn't seem possible.

However, we have never given up on the idea, especially because my buddy and a few other investors continue to request it. **Well, we have kept working on the idea and by George, I think we've got it.**

Like most ideas, in the end they are simple and you wonder why it took so long to figure it out. We realized that the vehicle is already in place and we have people utilizing it in ROI Strategies right now.

Some have decided that they would prefer to lend their money rather than be an equity investor. This gives them a more secure position, although they receive a lower return or interest rate in exchange for that security. Because they are secured by a promissory note against the assets of the company and are not part of the equity, we also don't have to file any Blue Sky forms.

Why couldn't we do the same for you? That is, make an automatic deposit every month which will be in the same secured position, but not deposited into your capital account. Then once a year in January, we would move that balance to

your capital account and do all of the Blue Sky filings and administration work in one shot. Plus, during the period of time in which your automatic deposits are not invested into your capital account, they will be earning an 8% interest rate.

If you would like to get started with an automatic deposit plan, email me at Greg@HughesCapital.com and we will get you up and running. I better see an email from my buddy!

As you can see by the newsletter, **we are busy at work on building our second fund, Assuravest, that will be purchasing 2nd position non-performing residential notes.** We should have our Offering Memorandum completed by the middle of February.

For some of our investors, we have already had some time to discuss this new fund together. We will personally be making contact with all of you to bring you up to speed as to what it all means and to answer any questions you may have. **Existing ROI investors also get an exclusive deal with a premium return on the new fund.** It is our way of saying thanks for being part of our family of investors and for all of your support.

The article about the note fund was so long it had to be broken into two parts. If you can't wait until next month to see part 2, you can read it online at www.HughesCapital.com/Blog.

None of this will change how ROI Strategies is functioning or will function in the future. We now have almost 4 years of experience under our belt managing the Rent to Own strategy so most of it has been systematized at this point. We have somewhat of a wait for the Short Sale Re-Purchases to start being accepted by the banks from our current marketing efforts. Most of those deals will not begin to come to fruition until late spring and, as you know, this is the slow time of the year overall.

As mentioned in the last update, we are continuing to flip homes as we find attractive deals. We purchased a total of 18 properties in 2015 and sold 5 of them. Most were not purchased until later in the year so they are still in the process of being rehabbed and put back on the market.

We continue to build ROI Strategies and receive new investors every month into the fund. **If you are one of the new investors, welcome and thank you for joining our family of investors.** We never take your trust in us casually. You have tasked us with something extremely important: the protection of your hard earned money. Thank you!

 