# Investor Update

## ROI Strategies

We would like to start this month's update by thanking all of our investors who participated in providing us with testimonials. It's always pleasant to hear positive feedback about our company, team, and investment funds. When my kids were younger, we would play a game at dinner time. Choosing a different family member each time, we would go around the table and say something we liked about that person. It doesn't matter whether you are the parent or the child; it feels good to hear what others like about you. **So, thank you, we appreciate your generous words.**

In this update, we will go over our future plans for **ROI Strategies.** We all know that over time our Rent to Owns will slow down. Eventually, there will be fewer people that need our services. We realize this and understand the changes associated with the housing market. From day one we have been vigilantly seeking out other opportunities for ROI Strategies without getting distracted or losing focus.

The Rent to Own machine is built and has been running for over four years. Our expectations for 2016 are to have 20 to 25 Rent to Owns and then half that number for 2017. Through a lot of time and research, we are optimistic about the next phase for ROI Strategies and its continued success in the single-family market.

<u>We believe we have found something better than Rent to Owns with Senior Assisted Living in the single-family residential market</u>. Currently, every day in the United States 4,000 people turn 85 and 10,000 people turn 70. They call it the **Silver Tsunami,** which is creating demand for Senior Assisted Living facilities.

Senior Assisted Living facilities (we call them SALs) are in the tens of thousands across the United States. They tend to be run by mom and pops. In fact, we can't find any larger companies that are operating in this space thus far.

Many of these operators are running multiple homes. There is an opportunity here for ROI Strategies to own these homes with long-term leases, as these operators refinance out of their current homes and expand into additional homes or start with their first one.

**The best part about these homes is they should prove to be incredibly recession proof.** Depending on the state regulations, caregivers are allowed to provide residency for 6 to 10 seniors. Nevada is capped at 10, California is 6, and Colorado is 8, to name a few. These are not skilled nursing or memory care homes. They are assisted living for those who don't require medical assistance, but do need 24-hour care for daily living. We are interested in purchasing only single-family homes and because of this, <u>they are located close to where the kids and grandkids live.</u>

They will be recession proof because the operator will have signed a long-term lease and any glitch in the economy or real estate market should not affect the operations. Seniors are rarely betting on the stock market to hit a new high or the economy to produce sufficient jobs to create a good jobs report. Their income is fixed and affected very little during these times.

<u>Also, the value of the home has no effect on the operator or for ROI Strategies</u>. It could drop 50%, and it wouldn't change our situation.

**The operator is not going to take their ten residences and move up the street to a 3-bedroom home to save money.** There wouldn't be a need to, and these homes will be modified to meet required permitting, zoning, HOA, senior assisted housing government authority regulations, etc. which will provide safety and well-being for the seniors and is not easy to duplicate.

We are extremely excited to continue down this path and to expand on this opportunity for ROI Strategies. We will keep you updated on our progress.