



Investor Update

ROI Strategies

Here is an interesting tidbit to start off our update this month: Have you ever noticed that when we refer to hard assets like the homes we purchase through ROI Strategies, we use the word “**return**” to describe how much an investor profits from the investment? But when we discuss the re-performing notes, or mortgages, we purchase with our new fund Sentinel, we use the word “**yield**.”

Here are two examples of this:

*Our **return** for investors within ROI Strategies was 0.9% in July, and 10.8% annualized in July.*

*Our **yield** from purchasing re-performing notes will be 15%, with a targeted **return** of 13.6% for investors within 12 months.*

So what is the difference between “return” and “yield?”

You probably already know the answer, but here are the official definitions from www.investopedia.com.

Return is retrospective, or backward-looking. It describes what an investment has concretely earned.

Yield, on the other hand, is prospective, or forward-looking. Furthermore, it measures the income, such as interest and dividends, that an investment earns and ignores capital gains.

As shown above, we use yield when looking at just the purchase of the notes, and not including any capital gains. Once we have purchased and sold the notes including the splits with management, it becomes a return. Now that you know the difference, you can share your brilliance with fellow investors as you discuss your investment portfolio.

Progress on the Sentinel Fund

Looking back over the last month, a lot has happened. **Our newest investment fund, Sentinel, will be closed to new investments by the time you receive this update, with a closure date of October 14th.** We

ended up with \$2.74M in the fund to buy re-performing notes. Just over half of the total purchase has been made at this point. ROI Strategies has \$1.6M invested as a lender with priority pay-out and an interest rate of 13.5%. **We really like the structure of Sentinel because of the safety it provides ROI Strategies investors, along with the upside potential.** If Sentinel continues to perform well, we plan to open more funds of this type, as long as the opportunity is there to purchase more re-performing notes.

Senior Assisted Living Update

For our senior assisted living business, we are close to purchasing two operating properties. They have been running successfully for 18 years, but the owner is ready to retire and start travelling more. Nothing is done until it is done, so we will see where this ends up and report back. We are also working on buying an existing home in southwest Reno that we will reconfigure into ten bedrooms and ten bathrooms, assuming everything falls into place. On top of all that, I am in Las Vegas as I write this, working with a successful operator who hopes to expand her business under the Hughberry Senior Living umbrella. She owns two existing senior living properties, with a third getting ready to be filled once the state signs off on the inspection.

Advanced Commission Keeps Growing

Advanced Commission continues to move right along. We just hit the \$2.5M mark of advances granted. **Our cycle of money is, on average, 39 days for pay back with a 16.4% return. If we annualize it, it is a whopping 153% return.** That sounds like a lot, and it is, but you have to take into account that is the gross revenue for the operation of the business. This company, only operating since February, has not only been profitable, but has also been able to completely pay back its initial loan for the start-up.

Until next month,

Steve Sixberry

Greg Hughes