



## Hughes Capital Investor Update

Happy Thanksgiving to all! Let's start out this month's update with ROI Strategies. Rent to Owns have slowed down to almost a trickle. This should come as no surprise since we have been talking about it all year long. We will probably only do a couple more over the winter, which is typical for the slow season.

**However, we do have some great news: we struck a deal to purchase two existing senior assisted living homes!** They have been in operation for 18 years and the owner is ready to retire. Those should close by the end of the year, or earlier. ROI Strategies will own the real estate and our operating company, Hughberry, will operate the senior living portion of the business. The owner of the existing properties has agreed to stick around as a consultant for 12 months. For ROI Strategies investors, this will mean strong assets for your portfolio. Hughberry Senior Living will get a great start by taking over a business with positive cash flow from day one.

We also have an accepted offer on a home in southwest Reno that we will develop into a senior assisted living property. It sits on three acres and is a beautiful setting for our residents. The seller moved out of state and was very motivated to sell, so we were able to purchase the home at an excellent price. If all our due diligence on the property goes well, we will own it by the end of November.

### Assuravest Stays On Course

Assuravest, our non-performing notes fund, continues to move along. **The process of buying the pools of notes, receiving the collateral, and doing the workout is slow, but we knew it would be.** We are waiting to receive our latest tape of loans for about \$1.105M. To get the best pricing available, we accept a longer wait time to receive our collateral after purchasing the notes. This is all part of the game plan and we are pleased with the progress to date.

### Sentinel Notes Making Progress

Sentinel, our re-performing notes fund, closed to new investments on October 14<sup>th</sup>. It ended up with just shy of \$3 million. Most of the notes have been purchased, and we have a little more than \$500,000 left to finish off the portfolio's buy. The notes purchased are in the process of being moved to our servicer. It takes about 60 to 90 days to make sure all the payments have moved, then we can start to sell them off. They will first be offered to our investors in Sentinel, then to our other active investors, and then to the public.

We like what we see with these notes so far. A good majority have been seasoned for 12 months or more (seasoned means the borrower has been paying). Plus, we have a two-year warranty from our servicer so if someone stops paying, the servicer will either get the note re-performing again, replace it with a similar note, or refund us our purchase amount less the payments received.

For Sentinel investors, we don't plan on distributing any monies until we have accumulated enough to do so. We are already receiving the monthly payments on each of the loans, but it is not enough to distribute to all our investors each month. As we start to sell them off, we will be receiving larger amounts of money into the fund, and that will be distributed. Expect to see a capital statement for your investment next month.

### Advanced Commission Hits New Highs

Advanced Commission had a record week at the beginning of November: 39 advances for a total of \$143,000 advanced. This was nice since we had a few slower weeks prior to that. We have now surpassed \$3 million in advances paid out since February.

Until next month,

Steve Sixberry

Greg Hughes