

STRATEGIC ASSETS GROUP, LLC

Diversified Private Investment Opportunities for Accredited Investors

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Strategic Assets Fund 1, LP Frequently Asked Questions

What is SAF? This is a Fund designed to bring together two underserved constituencies. First, are the millions of accredited investors who do not have the knowledge, opportunity, or enough investable dollars to be active “angel” investors. Second, are the many small company and real estate entrepreneurs who need sources of capital, but often cannot get it from traditional banking, finance, and equity sources.

Who should invest in SAF? SAF is for **accredited investors** only. An accredited investor can include a person or married couple whose net worth is at least \$1 million dollars, excluding residence, or has had an annual income the last two years exceeding \$200,000 (single) or \$300,000 (married couple), a qualified bank, savings association, investment company,

In 2012, there were estimated to be up to 7.2 million “accredited investors” in the United States. Of those, only about 756,000 were able to be identified as actively investing as an “angel investor” in private placement investments. (Source: Forbes.com, March 2013). As of March 2015, Financial Planning Magazine reported that the number of millionaires in the USA is now over 10 million. If you are one of the many accredited investors who would welcome the opportunity to participate in private investment opportunities, then we could be exactly what you are looking for.

*“I think this is also a great time to invest in private equity, helping companies grow from the ground up.”
- Jim Rogers*

insurance company, employee benefit plan (with assets exceeding \$5 million), charitable organization (with assets exceeding \$5 million), or a trust (with assets exceeding \$5 million). For a detailed explanation, please refer to SEC Regulation D and related articles and releases at www.sec.gov.

What types of investments will SAF invest in? Unlike many private funds, SAF will not concentrate in one industry or sector. It will provide a diversified portfolio that includes three main categories: private equity, private debt financing, and real estate. Details are included in the Private Placement Memorandum (PPM) and Statement of Additional Information (SAI).

The top two categories of historical wealth are private businesses and real property.

I’ve heard it takes a large amount of money to invest in a private fund. What is the minimum investment for SAF? What you’ve heard is right. Many private funds require six-figure or seven-figure minimum investments. However, we understand that even though you might qualify as an accredited investor, your investable funds may be limited, or it might not be suitable for you to make a larger investment into a fund like this. Therefore, we have set an unusually low minimum of \$25,000.

Is this investment appropriate for me? Everyone’s situation is different. This is an illiquid investment; there is no public market where you can sell your units. You should only invest money that you can afford to lose—some or all—if the Fund fails to perform up to its objectives. An investment in SAF should only be considered if your other financial planning objectives are adequately covered. These include emergency funds, education, housing, retirement, business, and other needs.

Therefore, we suggest you consult your financial planning, investment, tax and/or legal advisors before investing. We will be happy to discuss this with you or your advisors.

What kind of investment returns should I expect? There are no guarantees or assurances. The nature of private equity and private placement investing involves taking significant investment and liquidity risk in order to create opportunity for higher returns than you might expect from public market indexes. In March 2013, an article in Forbes.com, titled “Angel Investors: How the Rich Invest” stated that, “Data collected by the Kauffman Foundation shows that the best estimate for angel investor returns is 2.5 times their investment even though the odds of a positive return are less than 50%, which is absolutely competitive with the venture capital returns.”

It should be noted that this refers to the typical process of investing in one deal at a time. Based on this, you can see that investing in one deal is very high risk.

Can you lower risks while still targeting good returns? The same Forbes article went on to say, “the secret recipe for getting a good ROI is to diversify your investments into multiple startups and hedge your bet. Angel investors should look to position themselves as investors in at least 10 startups in order to play the startup game right. However, carefully selecting your picks and knowing who you are getting into bed with, so to speak, is very important. The due diligence process should be taken very seriously before making any type of decisions.”

This is where the Strategic Assets Fund approach can offer an unusual way for accredited investors to lower risk while still seeking excellent returns. First, SAF will provide diversification into multiple opportunities in one single investment. Instead of the higher risk of picking one “deal” in hopes of a large return, SAF will provide a diversified portfolio of multiple investments. Second, SAF will not concentrate on startup companies. Instead, it will seek to invest in established companies that need capital for expansion and possible sale to another company, or to conduct an initial public offering (IPO). It's real estate component offers the additional intrinsic value of real property.

IMPORTANT: Diversification only spreads out risks. It is still possible to lose money by investing in SAF.

How long must I be willing to hold this investment? There is no set time period. Exit strategies could result in a return of principal in five to ten years, but there is no assurance or guarantee regarding any time period, and investors should understand that this investment cannot be bought and sold like public stocks. It is not liquid.

How do I invest? You should obtain and read the Private Offering Memorandum (PPM). It is also recommended that you obtain and read the Statement of Additional Information (SAI). Request any additional information from the General Partner that you may require for your own due diligence. Then fill out the Subscription Agreement, and write a check for the amount you wish to invest. To obtain these documents, call Strategic Assets Group, LLC at 412-257-2390 or visit www.strategicassetsgroupllc.com and fill out the contact form. Specify that you are requesting the Strategic Assets Fund PPM, Subscription Agreement, and if you desire, the SAI.

“Successful investing takes time, discipline, and patience. No matter how great the talent or effort, some things just take time: You can't produce a baby in one month by getting nine women pregnant.”
- Warren Buffet

Additional Questions? Please feel free to call Keith Moorhouse at 412-257-2390.