



Issue No. 2020003

Brief Updates on Renovation

The Fund sponsor continues to renovate. The renovation of the Leland property is almost finished, including the painting and signage, etc. Please see the attached before and after photos for more details:



Sponsor's comments on the Prospect of an Upcoming Recession

The recession of 2008 definitely caused huge losses to many industries, but the self-storage market was more resilient compared to all other real estate sectors. According to historical data, in 2008, revenues of the self-storage industry as a whole dropped only 4%, while expenses dropped 1% at the same time. During 2009 - 2010, the sector came back to flat growth. In the next five years, the self-storage sector experienced huge growth year over year. The recession had little effect on the cash flow, especially for larger REITs in the self-storage sector.

As seasoned professionals who experienced and survived the 2008 subprime crisis, we are drawing from our experiences to respond conservatively to the current Coronavirus crisis. We are still proactively taking precautions to control the potential risks. For example, we are removing unfavorable terms from our loans, as well as leveraging the historical low/near-zero fed interest rate.

In the meantime, intelligent investors are looking to diversify their portfolios under current market conditions, while risk-averse investors are looking for shelters from excessive risk. Consequently, recession-resistant investments with strong cash flows became much sought-after investment targets. As a result, we are having yet another successful quarter for our capital raise, anticipating around \$5-\$6 million raised toward the Q2 2020 capital deployment.

Four More Properties are Waiting for Close

Four more properties in Georgia and Texas are now under contract pending closing for this coming quarter, followed by a strong list of target properties in our due diligence pipeline. The expected closing date is April 1st, 2020. The Covid-19 pandemic has caused a sudden market shift and affected a lot of industries, including travel, leisure, retail and real estate. Nonetheless, the strength of the self-storage market as a sub-sector especially the unique unmanned self-storage sub-sector like ours will stand out as a winner, in our opinion.

This global pandemic is a time of sadness. We are doing what we can to protect our families and help out our neighbors in need. We are also laser-focused on our execution and are also excited to provide this investment opportunity to our investors, based on consistent performance and strong stable cash flow.

Can We Find Recession-Resistant Investment Alternatives?

We've just witnessed historical days in the US stock market, including the worst drop ever for the Dow, and the triggering of market "circuit breakers". The question is, do recession-resistant investment opportunities exist, and where can they be found?

The answer is yes, if you know where to look. Spend just 5 minutes to check out this [video](#) from March 9, 2020, presented by Dandan Zou, Senior Partner of Mainstay Global, LLC (Austin TX).

Capital Call Time Forecast for This Quarter

The capital call window for this quarter will end on March 31, 2020.

