

Q3 2018 FUND UPDATE

DEAR PARTNERS

We are pleased to report the fund has seen quarter over quarter growth throughout 2018 with 2.7% for the 3rd quarter, representing an annualized return of 10.8%. Performance since inception is summarized below. Performance is always stated net of fees, depreciation expense deductions, and individual account performance varies based on amount and timing of contributions.

INVESTMENT OBJECTIVES

The fund's objectives are to provide investors capital preservation, dependable income, and capital appreciation — by acquiring, developing, operating and improving underperforming multi-family real estate, as well as making real estate loans in the Kansas City area.



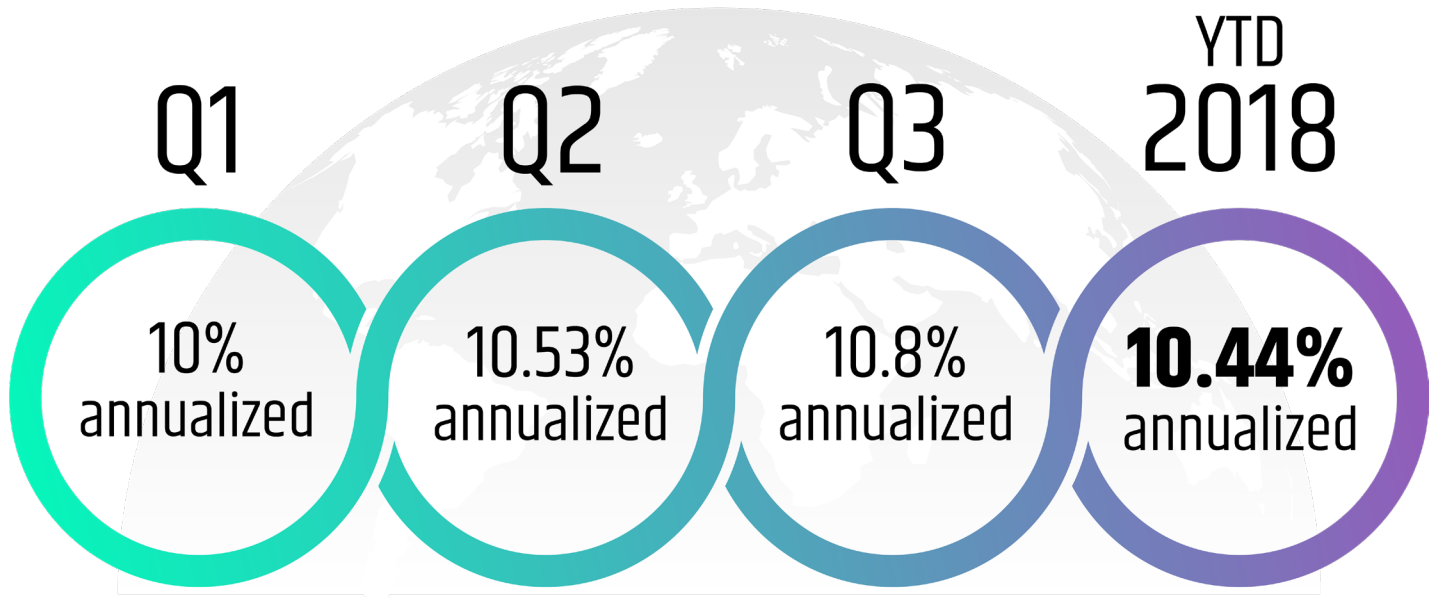
WORCESTER FUND OVERVIEW

SUMMARY OF EQUITY OFFERING

PREFERRED RETURN	8% annual, paid quarterly
EXCESS DISTRIBUTABLE CASH	Class A (>\$1mm investment) 70% to investor, 30% to sponsor
	Class B (\$250-\$1mm invested) - 60% to investor, 40% to sponsors
	Class C (<\$250m invested) 50% to investor, 50% to sponsor
MANAGEMENT FEE	1.50%
MINIMUM INVESTMENT	\$50,000
ELIGIBLE INVESTORS	Accredited Investors
TARGET RETURN	9-12%

SUMMARY OF DEBT OFFERING

LENGTH OF INVESTMENT	TERMS
2 YEARS, 3 YEARS, OR 4 YEARS	Earn 5.5%, 6.0%, and 6.5% interest respectively
MINIMUM INVESTMENT	\$50,000
ELIGIBLE INVESTORS	Accredited Investors
SECURITY	Senior to Equity unit holders
DISTRIBUTIONS	Interest is paid quarterly



FUND ASSETS - AS OF 9/30/18

Date	Fund Assets
3/31/2018	\$2,463,375
6/30/2018	\$5,096,533
9/30/2018	\$6,081,414

ALLOCATION - AS OF 9/30/18

Cash	6.25%
Private Loans	75.87%
Equity Investments	17.87%

Contact Peter McHugh at 816 558-6402 or petermchugh@worcester-investments.com for more information

PORTFOLIO UPDATE

REAL ESTATE HOLDINGS

We continue to own WI Staley and 2 AirBnB homes within the fund, both of which continue to perform well. We also added Oak Tree Square, an off-market 189-unit Class B-/C+ asset, which we anticipate being a significant boon to the Fund. Soon after going under contract, we received an unsolicited offer to assign the deal to a new buyer for \$1MM over our purchase price.

Additionally, we are in the process of adding two new Airbnb homes this month, as well as an equity participation in 909 Walnut, an irreplaceable class-A downtown asset. In late Jan/early Feb 2019, we plan on participating in the third tranche of Lakeview Crossing, a 123-unit class-A development in the desirable Kansas City sub-market of Blue Springs, MO. These new equity investments will bring more of a balance to the Fund's portfolio.

PRIVATE LOANS

The market for private loans continues to be very good. Borrowers with above average to high credit scores are offering good collateral to back loans that pay 10-13% interest. Banks continue to frustrate potential borrowers and our ability to underwrite quickly is a competitive advantage that we maintain in this market. As a result, we continue to like this investment opportunity for fund assets, particularly, during this environment of high prices and limited availability of good value-add opportunities in the multi-family segment.



SUMMARY

We feel we have stayed consistent in our approach to find, fund, fix, and facilitate great real estate opportunities in the Kansas City area. We have avoided overpaying for properties and will continue to source great deals for shareholders.

With assets exceeding \$6mm as of the end of Q3 2018, a growing network for private loan opportunities, and good acquisition opportunities which leverage our infrastructure,

we feel we can deploy additional assets and continue to deliver returns in the 9-12% range after fees and expenses.

We value and appreciate our partnership with you and look forward to updating you next quarter.

Sincerely,
The Worcester Team