



January 15, 2011 – Monthly Update 5

To Current Investors:

With the holidays over, the real estate market has begun to slowly show signs of life again. Interest rates are up slightly from their lows, but have retreated from the highs we saw at the end of 2010. Does this mean housing prices will be going up? We think not! We are projecting a decrease in prices of 6% - 8% in 2011. Fortunately for us, we are only holding properties for an average of 90 days or less, so we are subject to only a minor decrease, if our prophecy does in fact come true. The number of foreclosed properties continues to remain steady and we are having no shortage of supply at the courthouse steps. All in all, it is shaping up to be a great year to be in the foreclosure business.

In the last 30 days the Fund has placed two more properties into escrow, which will mark the 5th and 6th property to be successfully sold. The first property, 3442 Highwood in Simi Valley will be closing at the end of January and is projected to have a return on investment of 8.9%. The second property placed into escrow is 15172 Coral Court in Lake Elsinore and we are expecting a return on investment of 7.0% and a close date of mid-February. The 7.0% is slightly lower than projected returns due to the fact that the property came on line during the Thanksgiving and Xmas holidays as well as the fact that Lake Elsinore seems to be a slow sub-market of Riverside County. We do not plan to buy in Lake Elsinore in the near future. The fund currently holds a portfolio of 8 properties and hopes to be at 10 properties by the end of January, 2011.

Quarterly distributions were paid on December 31, 2010. In addition, we recently raised an approximate \$500,000 on January 15, 2011 in our 3rd closing. This closing consisted of both equity and IRA funds. We anticipate another closing in approximately 60 – 90 days.

On the acquisition front, EWCP purchased 2 properties at auction within the last 30 days and has continued to pursue targets primarily in Ventura County. Details on the properties are as follows:

1. **Address:** 2276 Sanchez Drive, Camarillo, CA 93010
Purchase Price at Auction: \$293,000 on 12/27/2010
Projected Sales Price: \$370,000
Projected Repair Costs: \$8,000
Property Notes: Cash for keys is in negotiation and tenant should be out by the end of January
2. **Address:** 762 Island View Circle, Port Hueneme, CA 93041
Purchase Price at Auction: \$192,600 on 01/13/2011
Projected Sales Price: \$247,500
Projected Repair Costs: \$4,000
Property Notes: Property was purchased vacant, repairs are underway

Our next expected closing for equity investments into the Fund is March 15, 2011. If you or anyone you know would like to place funds into our fourth capital raise, please let us know as soon as possible so that we can plan accordingly. The Fund is now accepting IRA, 401k, 403B & ROTH IRA funds as an acceptable source for investment. **For more information on the investment please refer those interested to contact us at: info@equitywestcapital.com.**