



SFG Income Fund VI, LLC

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STEADY PROGRESS IN VITAL AREAS

SFG Income Fund VI ended the third quarter of 2012 with positive momentum in vital areas of operations. The fund's non-performing asset percentage continued to improve, contributing to a promising net profit. REO sales activity remained steady as we sold three properties in the third quarter and two in November, bringing our total properties sold for the year to 19, with several more pending. The fund is on track. Valuable momentum has been

created, but we recognize there is

“The fund is on track. Valuable momentum has been created, but we recognize there is still work ahead.”



still work ahead. The positive effect of our efforts in gaining control, repositioning and reselling foreclosures is becoming evident. As the fund's



non-performing asset percentage nears our target level, sights have now been set on the final step of our recapitalization strategy: increasing profitability and reestablishing full fund value. The progress we've developed is encouraging. Additionally, loan volume is also on the rise, another key component to goal achievement.

Loan demand stayed consistent through the third quarter, in contrast to the typically sleepy summer months of years past.

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SFG Income Fund VI, LLC

Greg Elderkin

Fund Manager,
SFG Income Fund

John Odegard

Fund Manager,
SFG Income Fund



This year Seattle Funding Group is on pace for a 30% increase in loan volume over 2011. To add some perspective, 2012 should end with 120% increase in loan volume over 2009, which admittedly was our lowest volume year since the early 1990's. We have another 30% or so to go before we get back to what we would call “normal” levels. Nonetheless, our rising loan volume is a welcome sign to re-employ our capital and elevate profitability. Loans funded over the last three years have been performing as agreed and improving the overall health of the fund. These new loans have the strong equity cushions SFG is known for and are well outside of today's market turbulence. As we dispose of the old 2006-2007 assets, it's reassuring to have quality loan opportunities generated by our strong market position. Our



business model is back on track and once again proving itself. Below are a couple of recent loans that have gone full cycle. **SFG**

SUCCESS STORY

Merchant Builder

Ground Up Construction Loans

Ground up construction on well-located infill lots, to proven boutique builders exemplifies a wise use of our capital. It has all the elements for success - a strong business plan, good collateral, profit potential for the borrower and a well-defined exit strategy. Additionally, these loans are short term by nature, ensuring appropriate fund liquidity. Today, we are capturing the attention of established, well-capitalized builders as the banks extreme recoil left many un-serviced and humbled. Although the great recession no doubt left its mark, in many ways it was the perfect storm for delivering us exceptional

lending opportunities. As segments of the real estate market begin to show signs of life, we are capturing terrific loans and substantial market share. This serves SFG investors well as it is integral to harnessing the best opportunities and prudently raising fund profitability.

This well respected builder, product pictured below, has returned to Seattle Funding Group several times. They build an exacting product for today's market conditions. JayMarc Homes is a terrific local company specializing in affluent infill lot locations. They know their market and buyer well, selling their homes shortly after completion. JayMarc is a bankable customer, however they still like the SFG service and turn to us several times a year to complement their banking relationships. **SFG**



The Milan

Mercer Island, WA

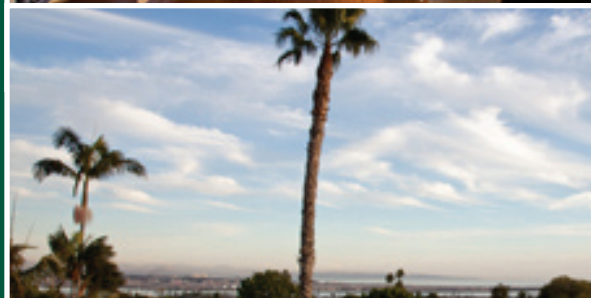
One of several successful projects we've funded for this builder!

SUCCESS STORY

Fix and Flip

Excellent Location, Point Loma, San Diego

When opportunity knocks for many real estate entrepreneurs, SFG is there to answer. Buying distressed real estate deals, rehabbing and reselling for a profit is ubiquitous and another excellent use of our capital. Borrowers are willing to pay a slight interest rate premium for our service, while meeting our strict lending guidelines. With that, our fix and flip borrowers are making handsome profits. The property shown here is in a terrific proven location, with views of downtown San Diego and plenty of upside. This fix and flip worked for the borrower as well as the SFG Income Fund. **SFG**



CONSTRUCTION DEPT.



Jim McBride
Construction Loan Manager

SFG has a full construction loan management department headed up by Jim McBride, a member of the firm for over ten years. He understands risk management and is a big part of our construction loan success. Jim plays an integral role in all loans where there is a construction component present.

FAVORITE QUOTES

“ Trust and reputation are not discretionary. They are as necessary in business as to the people in whom they reside. ” - **Tony Alessandra**

“ I have learned from experience that the greater part of our happiness or misery depends on our disposition and not on our circumstance. ” - **Martha Washington.**

“ Give whatever you are doing, and whoever you are with, the gift of attention. ” - **Jim Rohn**

“ A government that robs from Peter to pay Paul, has no argument from Paul. ” - **Ronald Reagan**

“ The nine most terrifying words in the English language are, 'I'm from the government and I'm here to help.' ” - **Ronald Reagan**

SFG Loan Underwriters



Charles Salas

Senior Underwriter
California office, with SFG
since 2007 (30 Years in the Industry)



Ronald Lorentsen

Senior Underwriter
With SFG since 2000

Most Respected in the Industry

Just because a company has money to lend does not mean it automatically gets the best transactions. A lending firm must have inroads through the industry, credibility, and solid business relationships built through the years. Few lenders in our industry have the long-

industry has to offer. Their job is a relentless quest of taking hundreds of calls per week, screening them down to a few deals with enough merit to warrant a closer look. Then begins their due diligence including site visits, borrower review, triangulation of value, and meeting with SFG Fund


“Few lenders in our industry have the long-standing relationships across the West Coast we’ve developed over the last 25 years. Much of the credit for our growth in market share and the relationships we’ve built goes to our underwriting team.”

standing relationships across the West Coast we’ve developed over the last 25 years. Much of the credit for our growth in market share and the relationships we’ve built goes to our underwriting team. They are the face of our company to both borrowers and brokers

throughout the West Coast.

Each member of our underwriting team has been in the industry many years, and most have been with SFG for over ten years. They are well known, liked and respected everywhere they go. SFG underwriters are a substantial reason we receive first looks on the best equity-based loan opportunities the

SFG Underwriters are seasoned and have substantial experience. They know the microcosms of their territories. They have weathered the economic real estate storm with us, contributing insightful analysis and, many times, to spirited value debates. With a practiced eye on risk mitigation, SFG Underwriters and SFG Fund managers must unanimously agree before any loan makes it to the final stage of approval. Our underwriters have a combination of loan and policy experience that serves the fund well.

We’d like to thank the SFG Underwriters for their skill, hard work and lasting contribution to our growth in market share over the years. You are a huge part of our success! 



Kent Rowe

Vice President,
Senior Underwriter
With SFG since 1998

managers during the process for guidance and gauge of interest. It has been estimated that an SFG Underwriter sifts through more than 50 deals for each one we close.



SEATTLE FUNDING GROUP, LTD. / SFG INVESTMENTS / WWW.SFGFUNDS.COM
425.445.1733 / 888.Sfg.Fund / 1239 120th Ave. NE, Suite J, Bellevue, WA 98005