

FUND UPDATE

WE DID IT!

AND THAT MEANS ALL OF US!

Now is a time we should all be proud of what we accomplished together.

SFG Fund Managers for designing an effective plan and executing it through to completion. You, our investors, for your belief and support during extreme market turmoil fraught with abuse, incompetence and mistrust. Your sagacious decision to work with us instead of incredulously against, made a positive financial outcome possible. For that, we thank you. We also give heartfelt appreciation to the investment representatives who have stayed in touch with us regularly along the way, helped communicate our message, and gave us much welcomed encouragement. You have been a huge part of the success of the SFG Income Funds over the years. Sounds a little like an Academy Awards speech, but our appreciation is uniquely sincere.

In the process of writing this important issue of *News of Interest*, we read through our past newsletters from the worst financial crises in modern history. Perhaps the one most telling issue was sent year-end in 2009. In this *News of Interest* we share some of the statements we made in that 2009-2010 issue. Today's positive reality within

SFG Income Fund VI is exactly as forecast. As you read a few of these quotations, you'll see our fundamental mindset and investment philosophies have not changed. Our commitment has only grown stronger as challenges were overcome and lessons learned. We gather up all the lessons of the past and cast them forward towards the very bright future in store for all our investors, today and tomorrow.



SFG Income Fund managers John Odegard (above) and Greg Elderkin (below).

Did you know your SFG investment has now out-yielded the Dow Jones and S&P 500 from 2008 to September 2015?

SFG INCOME FUNDS: POSITIONED TO BE ONE OF YOUR TOP PERFORMING INVESTMENTS OVER THE NEXT 10 TO 15 YEARS

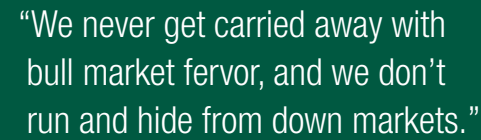
Investments can be measured in several different ways. We believe it wise to take the holistic approach that includes all elements an investment brings to your portfolio – **consistency:** reliability in producing positive results, **security:** risk assumed, **liquidity:** accessibility without penalty, **transparency:** clear reporting of investments, and **yield:** top of class returns over the life of the investment.

Did you know your SFG investment has now out-yielded the Dow Jones and S&P 500 from 2008 to September 2015? You read that right. In spite of lower yields the last few years, an investment in SFG on January 1, 2008, the last year SFG accepted new investor capital, would have a higher account balance than if those same dollars were invested in the DJIA. From this point forward, SFG Income Fund VI investors will see their returns increase significantly, while the equity markets have some work to do to catch up.

Although SFG is not designed to chase yield and compete in any given year to rising equities, there will be years where your SFG investment may also be your highest yielding investment. This is just the nature of SFG's consistent stable returns working in conjunction with the more volatile equity investments in your portfolio. Over time, equities should capture higher yields, but the path to get there is much more palatable when balanced with consistent, stable investments that provide reasonable liquidity provisions, such as SFG.

Today with our portfolio at perhaps its strongest, our market position within the lending industry at its best, and the SFG team as committed as ever to portfolio performance for our investors, we expect to be one of the most productive pieces to investor portfolios well into the next decade, and beyond.

QUOTES FROM SFG'S *NEWS OF INTEREST*,
YEAR-END 2009



“As investors look back over these historic times, the fact their SFG investment navigated through with positive returns will be impressive. That is the SFG plan, that is the SFG way. Our history of performance and disciplines of the past will set the stage for a tremendous future.”

"It is through our commitment to your protection – in good times and bad – that the opportunities of tomorrow will be realized."

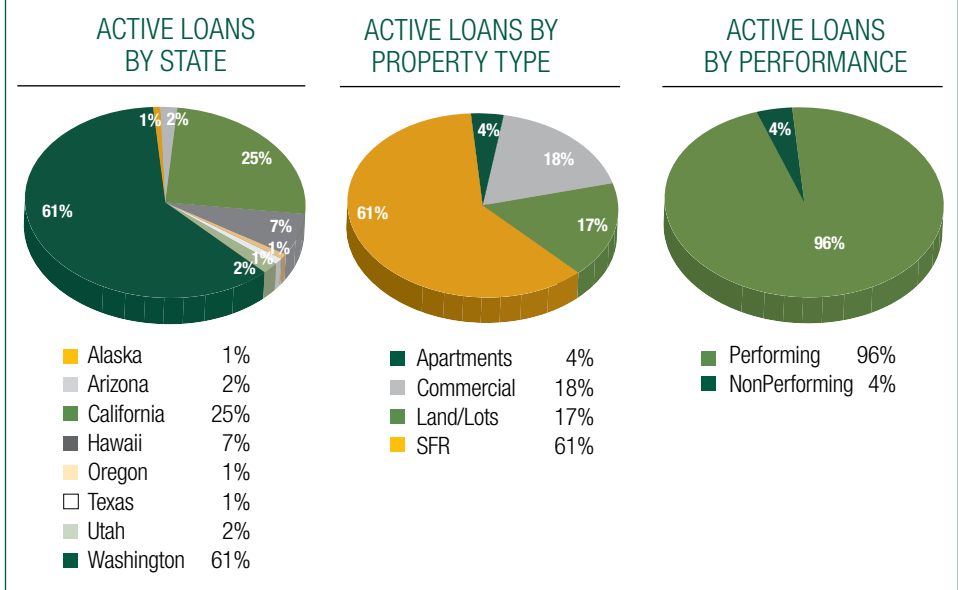
"We recognize it is times like this where our commitment to your protection is valued most."

“Obviously we’ve been experiencing one of the most difficult real estate markets in American history. In spite of that, we’re confident that our disciplines and our seasoned management team will allow SFG Income Fund to navigate the current downturn, work through some troubled loans and emerge with, what we expect will be, the healthiest portfolio in our entire history.”

THRU SEPTEMBER 30, 2015

Mortgage Loan Portfolio - Net	\$78,809,887.63
Total Cash	\$2,619,723.95
Real Estate Held for Investment/Sale	\$113,588.36
Real Estate Equity Investments	\$821,116.75
Other Assets.....	\$2,647,630.47
Total Fund Assets	\$85,011,947.16
Number of Loans	111
Average Loan Size Outstanding	\$716,936.90
Average Loan to Value Ratio	55.62%
Performing Asset Percentage	96.38%
Total Investors in Fund VI.....	671
Inception Date	2001

PORTFOLIO DIVERSIFICATION



OCTOBER 2015

5 Year Treasuries.....	1.37%
10 Year Treasuries.....	2.06%
5 Year CDs	1.47%
SFG Income Fund VI (beginning October 2015).....	5%



SFG: AN INVESTMENT YOU CAN COUNT ON

Regardless of what is going on in China, the cost of oil, the mood of the Federal Reserve or how long of a vacation you just came back from, your SFG investment keeps moving forward, improving and stabilizing your investment portfolio.

Amongst all the value we strive to provide for our investors, much of it comes down to this reality: *SFG is an investment you can count on* to serve and protect your portfolio day in, day out regardless of the noisy market gyrations and turbulence. You don't have to read the paper every day, worry about upcoming trends or corporate mergers to determine how your investment in SFG is doing. Your SFG investment remains well protected against market fluctuations and daily worries. The primary purpose of our investment strategy and structure is to deliver our investors peace of mind with at least a portion of their portfolio, in all market conditions.

Naturally, given some extraordinary circumstance we may have to buckle down the hatches on costs and returns to best protect investor principal, but outside of substantial economic shifts, your SFG investment provides attractive income or compounded returns (dependent on your choice), reasonable liquidity features without penalty, and the confidence of knowing your investment is well protected.

With all that is going on in the world, we'd like to bring you a little peace of mind. Your SFG investment is secure, hard at work and improving your portfolio 24 hours a day, seven days a week. So sit back, relax and let us take the helm. You deserve a little good news and positive results, which we plan to keep providing for many years to come. **SFG**

SUCCESS STORIES



Mission Beach (San Diego), CA
Beach Living At Its Best –
Vacation Rental
\$1,001,000 **LTV 70%**



Newport Shores (Bellevue), WA
International Investor –
Luxury Rental
\$1,475,000 **LTV 52%**



Beverly Grove (LA), CA
High Demand Location – New
Construction Perfect Fit For Market
\$1,600,000 **LTV 61%**



Lahaina (Maui), HI
Prime Ocean Front Location –
New Construction
\$1,575,000 **LTV 64%**



Hillcrest (San Diego), CA
Prime Commercial Location – For Future Redevelopment
\$915,000 **LTV 15%**

Continually capturing the finest loans for the SFG portfolio.

SFG

**INCOME
FUNDS**

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