



Back to the future

Today's market reminiscent of 20 years ago.

Did we mention the lack of competition in our market? It's sad, but true: The oversupply of liberal, undisciplined lenders competing for our customers are essentially gone. Their business model was built for the bubble, when it popped...so did they. This presents a huge opportunity for SFG.

So why does this environment seem so familiar? It was in a market similar to this that we started our business more than 20 years ago. Quality borrowers with plenty of collateral were being under-served by traditional lending sources—SFG developed its business model to meet the needs of this population.

Today we find ourselves in the same position, but with many times the market presence. Seattle Funding Group is a well respected name in the mortgage community. Our name recognition affords us “first look” at the best lending opportunities, which is essential in working through this market cycle. Our incoming borrowers recognize they need to provide more than just sufficient collateral; they must also meet our heightened credit standards. Today's borrowers seem more grateful for our services and patient as we complete our thorough analysis.

We have great relationships with our customers, but I have to say that borrowers from 2003-2007 were a little different—much less cooperative. In the end we always got the collateral we wanted or we didn't fund the loan. Over the last five years, borrowers grew a little pompous and, as you can imagine, seemed to feel entitled. They would sometimes roll their eyes at us like a teenaged kid as if to say, “Why do you need so much collateral? I only need the money for a year....”

Today, borrowers—and their mortgage brokers—know why we need “so much collateral,” and they are prepared to give it to us. Seattle Funding Group commands a high level of respect in the mortgage community as a leader in asset-based real estate lending. Mortgage professionals recognize it is the lending disciplines we exercised over the years that kept us ahead of the pack through the market turbulence. Our reward is a wide open market with exceptional lending opportunities. This market is tailor-made for Seattle Funding Group and the SFG Income Funds, and we feel very comfortable here.

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Mortgage paper securities are not rated or insured against loss and may be subject to substantial risks that are further described in the General and Specific Offering Circulars. Past performance is not a guarantee of future results. Investors are urged to read the General and Specific Offering Circulars prior to investing.



We are confident that loyal SFG investors will be served very well for many years to come. Because SFG Income Funds provide consistent and competitive yields, capital preservation, reasonable liquidity and little correlation to the stock and bond markets, it's an investment that doesn't go out of style. Seattle Funding Group has been here for over 20 years serving investors in a variety of markets...we will be here for many more years to come. Together we will get through this economic cycle and move ahead on our way to more exciting times.

Mr. John Odegard is President and Founder of Seattle Funding Group, Ltd. as well as a founding principal and manager of the SFG Family of Income Funds -one on the west coast's most successful, long standing private mortgage investment pools. He has been a speaker on local and national media regarding Real Estate investing and finance on numerous occasions. He is a featured and valued speaker at broker and lender conferences on the subjects of private money lending and investing. John has testified as an expert on real estate and related matters at the request of the largest law firm in the Pacific Northwest and has been a frequent speaker to the real estate department of a local university.