Dear Valued Investor,

As an integral part of the Heritage Multi-Sector Fund I (the "Fund") family, we are pleased to share with you the quarterly investor newsletter from Q3, 2018. The Fund has completed its full 3rd quarter of operations. Growing in a profitable and well-managed way continues to be our highest priority.

Since its inception, the Fund has strived to acquire performing and non-performing assets secured by various collateral, including real estate located throughout the United States. By completing these acquisitions consistent with our philosophy and process, the Fund was able to maintain its assets under management to just over $700,000 at the end of Q3, represented by the total investor capital.

The Fund's lending and disposition model delivered continued results and contributed to the Fund's 13.89% quarterly return, and which also created a "return since inception" of 18.10% (both annualized figures).

Fund investors who are also members of the Mile Marker Club are invited to attend the 3-day wealth education Symposium offered by our sister company, Mile Marker Club (MileMarkerClub.com), to learn more about the various debt and equity assets available in the marketplace. While it is by no means a requirement to attend these as an investor in the Fund, we continue to hear meaningful feedback from existing Fund investors as they learn more about these assets that the Fund invests in. Particularly as a passive investor, you may find these to be of value so you have more insight not only into the asset class itself, but how they are managed. What we teach investors through Mile Marker Club mirrors how we manage and operate the Fund on a daily basis.

In an effort to keep the Fund diversified, the Fund's assets are spread over multiple deal operators, multiple industries in various geographic locations, reducing the overall exposure to any one market. Because the Fund can purchase and originate assets at favorable terms, loans are collateralized at desirable "loan to value" (LTV) ratios. Of course, the LTV is an assessed or approximate ratio and is not in any way certain or guaranteed.

Market conditions continue to be favorable in terms of the amount of available, opportunistic inventory .

Additionally, with continued signs of market volatility in both domestic and global markets (including traditional stock market indices), it's possible to see a correction in real estate and collateral values and prices associated with the acquisition and origination of loans and equity positions over the next several quarters or even years. While we have no idea what the overall ramifications of such a correction will be, or how long the effects will last, we are taking the steps we deem prudent and important, in our best assessment of the order of their importance to safeguard, preserve and protect your investment to the best of our ability.

Our management team has built relationships with the key sellers of assets and deal operators over several decades. Additionally, our management team works consistently with both existing and new private investors as a source of additional capital to take advantage of opportunities in the market. With none of the total capital raised coming into the debt vertical of the Fund, the vast majority of capital raised is *unlevered* equity. As of September 30, 2018, the Fund has raised $750,000 of net investor capital.

While the Fund can secure a credit facility or institutional type debt, the Managers have not opted to do so at this point. In large part, thanks to our valued private investors, the Equity Vertical has been well received from a fundraising standpoint, reducing the need to secure a credit facility. So long as the equity capital market conditions continue to be robust, it keeps the need for an institutional lender low.

As of the writing of this newsletter, we are in the process of conducting due diligence on more than 10 assets which will result in investor capital deployment of more than $300,000. While not all of these assets will pass through the underwriting process, we continue to see tremendous opportunities for the Fund.

We have engaged Redwood Real Estate Administration to administer the day to day accounting, statement production and process investor capital. Through this third-party administration company, there is additional transparency and accounting support, amongst other services provided to the Fund and its investors.

We continue to be very active in the marketplace meeting with existing investors and new investors. In addition to our various investor events and industry events, we offer regular informational webinars for investors to learn more about the market, asset classes and our offering. We certainly appreciate your referrals to your friends and family who are accredited investors that may have an interest in including the Fund in their portfolio as well.

Thank you for your continued interest, trust and confidence.

Regards,
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