


From: Craig Mallitz <craigm@mallitzinvestmentgroup.com> 
Subject: Mallitz Investment Group Year End Summary
Date: December 17, 2013 8:30:27 PM EST
To: Craig Mallitz <craigm@mallitzinvestmentgroup.com>

1 Attachment, 20 KB

Hello Everyone,

On behalf of the entire Mallitz Investment Group, LLC ("MIG") I would like to thank all of our investors for contributing to another very successful year. MIG in its two years has underwrote and funded six deals for just over \$50mm with a weighted IRR net of fees of 18%*. In addition all interest and principal payments have been made to investors and totaled \$5.1mm, \$10.9mm, respectively.

We are particularly pleased that our business model continues to work very well and provide investors superior risk adjusted returns. Our strategy continues to focus on the following five areas of differentiation:

1. Hard to Find Deals - Through our proprietary sourcing network we focus on the type of deals that are difficult to find, require a certain amount of expertise to analyze, and have a higher "perceived vs actual risk".
2. Monthly Income Producing - We search for cash generating yielding opportunities that produce monthly interest distributions.
3. Process Focused - Partners focus their expertise on identifying the best investments by analyzing the company's financials, business plan, management, and structuring a deal that has good returns and mitigates risk.
4. Market Opportunity - We continue to believe there is a tremendous market opportunity in deals that are \$5-\$20mm with quality underwriting. These opportunities are often too small for the larger players and allows us to find and analyze strong growing companies that do not have access to traditional capital either due to little equity in their business, rapid growth, or the business does not have a long enough track record.
5. Managing Risk - All of our deals have substantial collateral that are typically many multiples of our investment and often times include personal guarantees. Since we have taken a deal by deal LLC approach vs a fund we look to offer deals on both ends of the risk spectrum to create a portfolio approach for investors. Duration of deals are often two years or less which mitigates the specific business risk we take.

We would not have been able to achieve our success without the help of our investors. We are very pleased that our investor relationships have grown again in 2013 to approximately 180 individuals/family offices in two years. MIG will always subscribe to a high level of communication and transparency with investors, and always have our "skin in the game" on each deal with the Mallitz family typically investing in 20-30% of the deal.

As we look forward into 2014 we expect the current environment will lend itself to another 3-5 deals for MIG. We look forward to building on the many relationships we began over the last few years, thank you for your participation, and we wish everyone a safe and healthy holiday season and a prosperous new year.

Feel free to contact us via email or phone with any comments, suggestions, or questions.

Best,
Craig, David, and Randy Mallitz

* IRRs include completed deals (MIG1-MIG3), and assumes deal completion and capital return in December 2012 for MIG4. MIG5 and MIG6 IRRs are based on debt only values through deal completion.

Best,
Craig