Investor Questions?
Email Us: contact@nnncapitalfund.com
Call Us Toll-Free: (855) 410-2295

This website was created for the accredited investors of NNN Capital Fund I—formerly known as the "Grubb & Ellis Capital Fund I."

The *NNN Capital Fund I 2015 Annual Update* will be mailed to all investors after the end of the second quarter (June 30, 2015). This seven-page report, which includes commentary and financials (as of April 30, 2015), will provide in-depth information for current investors and their advisors on the status of the fund and its holdings.

If you are a fund investor or a financial advisor with additional questions, whether tax-related or otherwise, please contact us directly in San Diego:

- **Email:** contact@nnncapitalfund.com
- **Toll-Free:** (855) 410-2295
- **Mailing Address:** NNN Capital Fund I, LLC, Post Office Box 124558, San Diego, California 92112-4588

Disclosure

The above discussion is for informational purposes only and does not constitute financial and/or tax advice. Investors and their beneficiaries are urged to consult with their own tax advisors in regards to federal, state, local, foreign, and other tax consequences. In addition, investors are advised that past investment performance is not a guarantee of future results or price appreciation.

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EXHIBIT CR-079

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NNN CAPITAL FUND I, LLC
(f/k/a Grubb & Ellis Capital Fund I, LLC)

Annual Update

June 3, 2015

As of April 30, 2015, NNN Capital Fund I, LLC (the "Cap Fund") had three outstanding loans with an aggregate principal balance totaling $5,775,000. These three performing loans are the result of note exchanges between Sovereign Strategic Mortgage Fund, LLC ("SSMF") and the Cap Fund. More specifically, Cap Fund loans initially made to Plantations at Haywood Member, LLC, Oak Park Office Center, LLC and 1600 Barberry Lane, LLC (the "Original Loans") were replaced with three new loans made by SSMF (the "New Loans"). These note exchanges resolved a number of issues with the Original Loans such as:

- **The Original Loans that were exchanged were illiquid, effectively non-performing loans earning 0% interest.**
- **The Original Loans were unsecured and made to limited liability companies that owned minority fractional interests in real property through a tenant-in-common structure.**
- **The Original Loans were made under management of the now defunct Grubb & Ellis Company.**
- **The Original Loans were intended to be short-term bridge loans that would be repaid from proceeds generated from the syndication of tenant-in-common investments.**
- **When the syndication market became illiquid, as a result of negative market conditions, the Original Loans were left unpaid and sale of the real property was the ONLY viable repayment method.**
- **There were significant risks associated with holding the Original Loans long term. The Cap Fund did not have recourse to the real property because the loans were each made to a different limited liability company (ONE of the tenant-in-common owners) on an unsecured basis.**
- **These limited liability companies owned a minority fractional interest in real property with other tenant-in-common owners. CAP FUND HAD NO OWNERSHIP IN THE REAL PROPERTY NOR ANY RECOURSE AGAINST ANY OWNER(S) OF THE REAL PROPERTY. The Original Loans were unsecured loans made to one of the tenant-in-common owners who was a limited liability company comprised of retail investors who made small investments, typically ranging between $25,000 and $50,000.**
- **Significant risk existed because the only viable source of repayment was further complicated by the ownership structure of the real property.**

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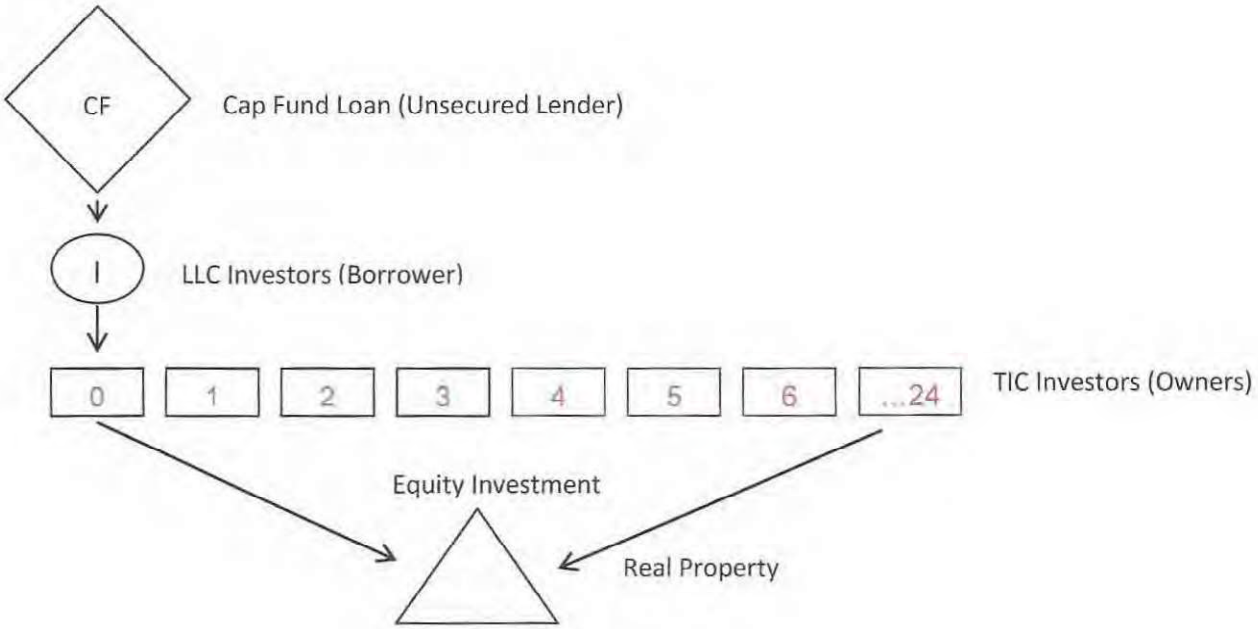
Cap Fund Original Loan Structure



Because the real property was owned by up to 24 tenant-in-common owners, any sale would be required to have unanimous consent or be forced into a call option enforcement action which could cause other problems such as bankruptcy or long involved legal action.

Because the Original Loans were made during the peak of the real estate market, the likelihood of loss was significant if the real properties were sold. **This created additional risk because tenant-in-common owners were reluctant to sell at a loss.**

Ultimately, the source and timing of repayment for the Original Loans was problematic.

THE NOTE EXCHANGE PROGRAM SOLVED FOR: (1) CURRENT INTEREST PAID, (2) DATE OF MATURITY, AND (3) SOURCE OF REPAYMENT. ALL OF THESE WERE ABSENT FROM THE ORIGINAL LOANS.

Notes Receivable

As of April 30, 2015, the Cap Fund had notes receivable comprised exclusively of the three New Loans received in exchange from SSMF. The New Loans combine for aggregate principal of $5,775,000 and earn interest at a rate of eight percent (8.0%) per annum, subject to accrual options as determined by SSMF. In contrast to the Original Loans, each of the New Loans made by SSMF provide interest payments and are expected to be repaid in full upon their respective maturity date. Year-to-date, Cap Fund has earned $154,000 in interest on these New Loans, of which $101,822 has been paid and $52,178 has been accrued.

Notes Receivable	Origination	Maturity	Interest Rate	Principal	YTD Interest Income	YTD Interest Paid	YTD Interest Accrued
SSMF 3.1	4/8/2013	4/7/2016	8.00%	3,100,000	82,667	60,225	22,441
SSMF 1.8	1/3/2014	1/2/2017	8.00%	1,800,000	48,000	34,719	13,281
SSMF 875	8/15/2014	8/14/2017	8.00%	875,000	23,333	6,878	16,456
Total				**5,775,000**	**154,000**	**101,822**	**52,178**

New Loan Detail - SSMF 3.1

One of Cap Fund's Original Loans was made to Plantations at Haywood Member, LLC in 2008 for the principal sum of $10,000,000 (the "Plantations Note"). The borrower, a multi-member limited liability company, utilized proceeds to acquire fractional ownership interest in that 562-unit apartment community known as Plantations at Haywood Apartments, located in Greenville, South Carolina. Partial repayment of the loan was afforded by way of new equity raised through the borrower's syndication process. Due to market conditions, the syndication process was cut short, thus leaving an unpaid balance of approximately $5.0 million. In 2009, the Plantations Note was amended to reduce the interest rate from 12.0% to 0.0%.

On April 1, 2013, the effective date of the note exchange with SSMF, the Plantations Note had an outstanding balance of $4,802,655. In return for delivering the Plantations Note to SSMF, Cap Fund received a new, unsecured promissory note from SSMF in the principal amount of $3,100,000 (the "SSMF 3.1" note).

The SSMF 3.1 note was issued for a term of 36 months with interest of 8.0% per annum. Interest on the SSMF 3.1 note is paid in arrears semi-annually and is subject to an accrual option as determined by SSMF. In its sole discretion, SSMF may accrue all interest payments after the first 12 months of the loan term and may defer up to 3.0% interest at any point during the term, with amounts of principal and accrued interest due in full upon maturity on April 7, 2016. Through the first four months of 2015, the SSMF 3.1 note earned interest of $82,667, of which $60,225 was paid and $22,441 was accrued.

New Loan Detail - SSMF 1.8

Another one of Cap Fund's Original Loans was made to Oak Park Office Center, LLC in 2008 for the principal sum of $9,000,000 (the "Oak Park Note"). The borrower, a multi-member limited liability company, utilized proceeds to acquire fractional ownership interest in that office building known as Oak Park Office Center III, located in Houston, Texas. Partial repayment of the loan was afforded by way of new equity raised through the borrower's syndication process. Due to market

conditions, the syndication process was cut short, thus leaving an unpaid balance of approximately $3.2 million. In 2009, the Oak Park Note was amended to reduce the interest rate from 12.0% to 0.0%.

On January 3, 2014, Cap Fund entered into a note exchange agreement with SSMF, whereby Cap Fund delivered all right, title and interest in the Oak Park Note to SSMF in exchange for a new, interest bearing note from SSMF. On the effective date of exchange, the Oak Park Note had an outstanding balance totaling $3,510,431. In return for delivering the Oak Park Note to SSMF, Cap Fund received a new unsecured promissory note from SSMF in the principal amount of $1,800,000 (the "SSMF 1.8" note).

The SSMF 1.8 note was issued for a term of 36 months with interest of 8.0% per annum. Interest on the SSMF 1.8 note is paid in arrears semi-annually and is subject to an accrual option as determined by SSMF. In its sole discretion, SSMF may accrue all interest payments after the first 12 months of the loan term and may defer up to 3.0% interest at any point during the term, with amounts of principal and accrued interest due in full upon maturity on January 2, 2017. Through the first four months of 2015, the SSMF 1.8 note earned interest of $48,000, of which $34,719 was paid and $13,281was accrued.

New Loan Detail - SSMF 875

The last of Cap Fund's Original Loans was made to 1600 Barberry Lane, LLC in 2008 for the principal sum of $10,500,000 (the "Barberry Note"). The borrower, a multi-member limited liability company, utilized proceeds to acquire fractional ownership interest in that 312-unit apartment community known as Retreat at Peachtree City, located in Peachtree City, Georgia. Partial repayment of the Barberry Note was afforded by way of new equity raised through the borrower's syndication process. Due to market conditions, the syndication process was cut short, thus leaving an unpaid balance of approximately $1.7 million. In 2009, the Barberry Note was amended to reduce the interest rate from 12.0% to 0.0%.

On January 3, 2014, Cap Fund entered into a note exchange agreement with SSMF (by way of assignment), whereby Cap Fund delivered all right, title and interest in the Barberry Note to SSMF in exchange for a new, interest bearing note from SSMF. On the effective date of the note exchange, the Barberry Note had an outstanding balance totaling $1,942,056. In return for delivering the Barberry Note to SSMF, Cap Fund received a new unsecured promissory note from SSMF in the principal amount of $875,000 (the "SSMF 875" note).

The SSMF 875 note was later issued for a term of 36 months with interest of 8.0% per annum. Interest on the SSMF 875 note is paid in arrears semi-annually and is subject to an accrual option as determined by SSMF. In its sole discretion, SSMF may accrue all interest payments after the first 12 months of the loan term and may defer up to 3.0% interest at any point during the term, with amounts of principal and accrued interest due in full upon maturity on August 14, 2017. Through the first four months of 2015, the SSMF 875 note earned interest of $23,333, of which $6,878 was paid and $16,456 was deferred.

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Accrual Basis

NNN Capital Fund I, LLC
Balance Sheet
As of April 30, 2015

	Apr 30, 15
ASSETS	
Current Assets	
Checking/Savings	
1000050 · Operating Account - AWBank-8876	-769.88
Total Checking/Savings	-769.88
Other Current Assets	
1100210 · Accounts Receivable - Other	256.55
1100720 · Accrued Interest	58,650.00
Total Other Current Assets	58,906.55
Total Current Assets	58,136.67
Other Assets	
1100750 · Deferred Interest	304,002.06
1400210 · Notes Receivables - SSMF 1	875,000.00
1400211 · Notes Receivables - SSMF 2	1,800,000.00
1400212 · Notes Receivables - SSMF 3	3,100,000.00
1700250 · Selling Commissions - LLC	1,168,853.59
1700251 · Selling Commissions - LLC Contr	-86,986.85
1700270 · Due Diligence - LLC	350,656.08
1700400 · Syndication - LLC OMEA	233,770.71
Total Other Assets	7,745,295.59
TOTAL ASSETS	7,803,432.26
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2000210 · Accrued Loan Administration Fee	36,839.21
2000500 · Other Payables	5,193.89
2300100 · Accrued Asset Mgmt Fee	206,124.46
Total Other Current Liabilities	248,157.56
Total Current Liabilities	248,157.56
Total Liabilities	248,157.56
Equity	
3100280 · Distributions - LLC	-14,216,667.59
3100290 · Contributions - LLC	23,377,071.36
3300110 · Net Offering Costs - Other	-86,986.85
3600500 · Retained Earnings	-1,547,950.02
Net Income	29,807.80
Total Equity	7,555,274.70
TOTAL LIABILITIES & EQUITY	7,803,432.26

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05/21/15
Accrual Basis

NNN Capital Fund I, LLC
Trial Balance
As of April 30, 2015

	Apr 30, 15	
	Debit	Credit
1000050 · Operating Account - AWBank-8876		769.88
1000100 · Torre Pines Oper Acct- 8876	0.00	
1100210 · Accounts Receivable - Other	256.55	
1100720 · Accrued Interest	58,650.00	
1100750 · Deferred Interest	304,002.06	
1400150 · Notes Receivable-1600 Barberry	0.00	
1400170 · Notes Receivable-Oak Park Ctr	0.00	
1400210 · Notes Receivables - SSMF 1	875,000.00	
1400211 · Notes Receivables - SSMF 2	1,800,000.00	
1400212 · Notes Receivables - SSMF 3	3,100,000.00	
1700250 · Selling Commissions - LLC	1,168,853.59	
1700251 · Selling Commissions - LLC Contr		86,986.85
1700270 · Due Diligence - LLC	350,656.08	
1700400 · Syndication - LLC OMEA	233,770.71	
2000200 · A/P - AUTO	0.00	
2000210 · Accrued Loan Administration Fee		36,839.21
2000500 · Other Payables		5,193.89
2300100 · Accrued Asset Mgmt Fee		206,124.46
2300200 · Acrued Loan Fees	0.00	
2700200 · SSMF Payables	0.00	
3100280 · Distributions - LLC	14,216,667.59	
3100290 · Contributions - LLC		23,377,071.36
3300110 · Net Offering Costs - Other	86,986.85	
3600500 · Retained Earnings	1,547,950.02	
5000135 · Loan Administration Fee	18,986.31	
5000170 · Asset Management Fee	59,934.31	
5000250 · Bank Charges	69.00	
5000315 · Gross Receipts Tax	800.00	
5000345 · Business Licenses and Permits	21.00	
5003000 · Legal Expense	44,425.56	
6000300 · Interest Income from Notes/Adv		154,043.98
TOTAL	23,867,029.63	23,867,029.63

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Accrual Basis

NNN Capital Fund I, LLC
Profit & Loss
January 1 through May 21, 2015

	Jan 1 - May 21, 15
Ordinary Income/Expense	
Expense	
5000135 · Loan Administration Fee	18,986.31
5000170 · Asset Management Fee	59,934.31
5000250 · Bank Charges	69.00
5000315 · Gross Receipts Tax	800.00
5000345 · Business Licenses and Permits	21.00
5003000 · Legal Expense	44,425.56
Total Expense	124,236.18
Net Ordinary Income	-124,236.18
Other Income/Expense	
Other Income	
6000300 · Interest Income from Notes/Adv	154,043.98
Total Other Income	154,043.98
Net Other Income	154,043.98
Net Income	29,807.80