

# **HOLLY MORTGAGE TRUST**

## **Report for the Three Months Ended March 31, 2018**

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May 24, 2018

To Our Shareholders:

The financial statements of Holly Mortgage Trust (“Holly”) for the three months ended March 31, 2018 and March 31, 2017 (unaudited) are included on the following pages.

For the first three months of 2018, there was a net loss of \$3,380 compared to a net loss of \$5,507 for the same period of 2017.

Dividends paid on the Series 2004 and Series 2008 Preferential shares are required to be reported as interest expense on the financial statements.

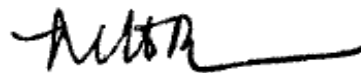
Dividends of \$0.0125 per share were paid on April 16, 2018 on the 2004 Series Preferential shares to shareholders of record on April 2, 2018. Dividends of \$0.02 per share were paid on April 16, 2018 on the 2008 Series Preferential shares to shareholders of record on April 2, 2018.

We encourage our shareholders to avoid issues with Abandoned Property Laws and Regulations by maintaining direct contact with EQ Shareowner Services, our transfer agent. Direct contact includes cashing a dividend check, written letters, telephone calls and voting your proxy for the annual meeting. The contact information for EQ Shareowner Services is included at the end of this report.

You can find additional information and copies of prior financial reports on our website at [www.hollymortgage.com](http://www.hollymortgage.com).



Robert W. Scharar  
President



Robert A. Burns  
Treasurer

**HOLLY MORTGAGE TRUST**  
**BALANCE SHEET (unaudited)**  
**March 31, 2018 and 2017**

<u><b>ASSETS</b></u>	<u><b>March 31, 2018</b></u>	<u><b>March 31, 2017</b></u>
<b>Mortgage Notes Receivable:</b>		
Mortgage notes receivable	\$ -	\$ -
Mortgage participations	-	-
Allowance for losses	-	-
Net mortgage notes receivable	<u>-</u>	<u>-</u>
Cash and cash equivalents	10,715	33,241
Accounts receivable	1,600	-
Accrued interest receivable, net of participated interest of -0- and -0-	471,833	628,833
Allowance for losses	<u>(471,833)</u>	<u>(628,833)</u>
Investment in real estate entities	1,102,491	1,150,693
Allowance for losses	<u>(101,691)</u>	<u>(113,691)</u>
Other real estate owned	-	-
<b>Total Assets</b>	<u><b>\$ 1,013,115</b></u>	<u><b>\$ 1,070,243</b></u>
 <u><b>LIABILITIES AND SHAREHOLDERS' EQUITY</b></u>		
<b>Liabilities:</b>		
Accounts payable	\$ 75,992	\$ 64,050
Accrued expenses payable	5,715	18,288
Notes payable	472,670	508,147
Series 2004 Preferential 5% and 9% cumulative mandatorily redeemable shares of beneficial interest	530,000	530,000
Series 2008 Preferential 8% cumulative mandatorily redeemable shares of beneficial interest	<u>820,000</u>	<u>820,000</u>
<b>Total Liabilities</b>	<u><b>1,904,377</b></u>	<u><b>1,940,485</b></u>
 <b>Shareholders' Equity:</b>		
Shares of beneficial interest, no par value, 20,000,000 shares authorized, 1,604,232 shares issued and outstanding	1,536,119	1,536,119
Accumulated deficit	<u>(2,427,381)</u>	<u>(2,406,361)</u>
<b>Total Shareholders' Equity</b>	<u><b>(891,262)</b></u>	<u><b>(870,242)</b></u>
<b>Total Liabilities and Shareholders' Equity</b>	<u><b>\$ 1,013,115</b></u>	<u><b>\$ 1,070,243</b></u>

**HOLLY MORTGAGE TRUST**  
**STATEMENT OF OPERATIONS (unaudited)**  
**For the three months ending March 31, 2018 and 2017**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
<b>Revenue:</b>		
Interest income	\$ -	\$ -
Other income	33,000	33,319
Total revenue	<u>33,000</u>	<u>33,319</u>
<b>Costs and Expenses:</b>		
General and administrative	9,107	8,778
Management fees	248	2,250
Professional fees	-	-
Interest expense	27,025	27,798
Total costs and expenses	<u>36,380</u>	<u>38,826</u>
<b>Net Income</b>	<u>\$ (3,380)</u>	<u>\$ (5,507)</u>
Weighted average shares outstanding	<u>1,604,232</u>	<u>1,604,232</u>
Net income per share, basic and diluted	<u>\$ (0.002)</u>	<u>\$ (0.003)</u>

**TRUST MANAGERS**

George Beatty, Jr.  
Retired Environmental Consultant

William C. Brooks  
Financial Consultant

Josef C. Hermans  
Hotel Consultant

Robert W. Scharar  
President,  
FCA Corp

**EXECUTIVE OFFICERS**

Robert W. Scharar  
President

Robert A. Burns  
Treasurer

William B. LeVay  
Secretary

**TRANSFER AGENT**

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