

"As we grow, it is very important to us that we stay true to the values and approach that have allowed us to be successful."

QUARTERLY REPORT

2nd Quarter 2024

It was another successful quarter for the Fund, total returns for the quarter were 12.25%, and total returns were 12.25%. We sold the Take 5 Ten Mile property, which was a great outcome for the project and provided a small increase to fund-level total returns.

We added two exciting additions to the portfolio this quarter: Heritage Plaza, a retail center in Tucson, AZ and an additional Take 5 location in Idaho Falls, ID. You can learn more about these assets in the Acquisitions section of the report.

Current market conditions are creating excellent buying opportunities, as reflected by the performance of our recent acquisitions. While it is never easy, we are hopeful that more opportunities are coming. We plan to discuss the acquisition pipeline on the call and explore what we are seeing in our markets.

If you are interested in participating in these upcoming projects, we invite you to complete our investment offering survey or contact our investor relations team.

Additionally, you have heard us talk in the past about our partnership programs. These programs play a crucial role in our success by fostering win-win outcomes, thus creating significant value for the Fund. Through our collaborative efforts that utilize our partners' expertise and relationships, we enhance our ability to achieve favorable long-term outcomes for the Fund and our partners.

Below are two notes from our broker partners on the Heritage Plaza acquisition that demonstrate what makes us different and how we generate better-than-market deal flow. We thought you might enjoy seeing the broker's perspective on our approach.

"After reflecting on the transaction process with Heritage Plaza overnight, I wanted to send you an additional message of gratitude. This acquisition had its moments of challenge. Your team of professionals at Alturas were excellent. I enjoyed working with all of you and getting to know each of you better as we faced various issues. It was great to have had a chance to interact with so many different individuals from your team. You have built a great company based upon great people, integrity and performance, and I would be happy to provide you with a strong reference if it is ever needed. Let's celebrate this success when it works for you."

- Patrick Dempsey, JLL

"I want to thank you both for your continued partnership in Arizona and across the West. I can't tell you what a joy it is to work with the Alturas team. I can promise you this doesn't go unnoticed. I have been very vocal across the West region in singing these praises. Above all else, we certainly enjoy the friendship that has come from these deals."

- Benjamin Geelan, JLL

It is very important to us that we stay true to the values and approach that have allowed us to be successful and build relationships like those with these brokers. As Alturas Capital Partners and the Fund continue to grow, we want to further reinforce the values and approach that have allowed us to grow the Fund. As such, we are working on ways to be more deliberate in how we communicate and teach these values to ensure the Fund achieves our vision of lasting for many decades and continues to be a great asset to our partners. As part of this process, we are making some updates to our look and website. We will preview some of these updates during the upcoming manager call.

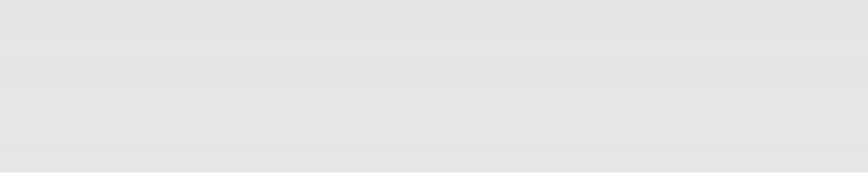
Thank you for your continued partnership.

[Signature]
Travis Barney, Chief Executive Officer
Alturas Capital Partners, LLC

[Signature]
Devin Morris, Chief Operating Officer
Alturas Capital Partners, LLC

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Blake Hansen, Chief Investment Officer
Alturas Capital Partners, LLC

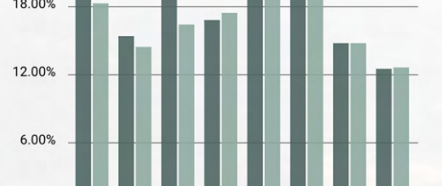
Key Numbers



*Statistical returns are average annualized investor returns. Individual investor returns may vary based on the unit pricing at the time of investment. Realized net income includes realized gains and losses and excludes unrealized gains and losses recorded during the period. Financial information herein related to the quarters ended in 2024 are unaudited as of the date of this report.

Photo: Sedona Arizona

Tax Update



*Returns are average annual returns. Actual returns for each investor will vary based on the unit price paid for units held.

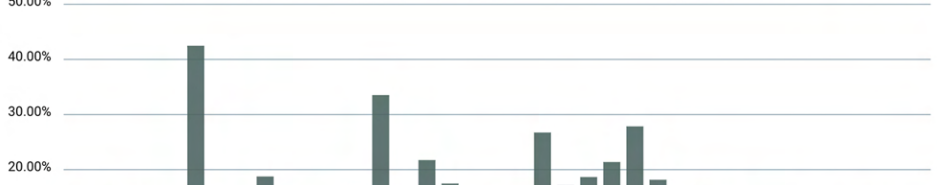
**Assumes all investors pay an average blended federal tax rate of 37% on ordinary income and 20% on capital gains and includes the impact of state income taxes. Actual tax rates will vary for each investor. We recommend consulting with your personal tax advisor to understand the various federal and state income tax implications associated with investing in the Fund.

2023 income tax returns for the Fund and its properties have been finalized. 2023 K-1s were available to be distributed in June to Fund investors once non-resident owner agreements for all relevant investors were completed due to realized owner experience in Colorado and Idaho.

Once again, we were able to create a net tax loss at the Federal level by performing cost segregation studies on a small number of assets which increased tax depreciation expense by utilizing the 80% bonus depreciation that was available to the Fund in 2023.

While we have historically pursued a cost segregation strategy to generate enough current year depreciation to reduce taxable income substantially, we are mindful of the tax capital accounts of investors and will assess this strategy annually. We may slow the pace of our cost segregation studies which could cause taxable income to approximate book income in future years, however at this time it is anticipated that the current strategy will continue to create a very tax efficient situation for the Fund and its investors.

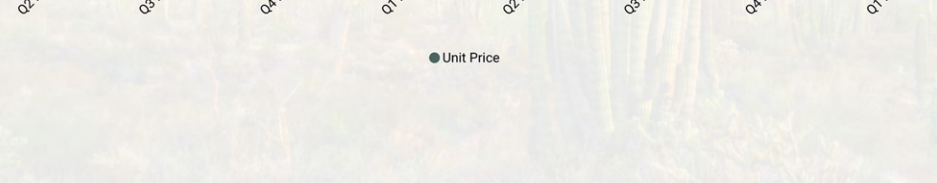
Realized Returns



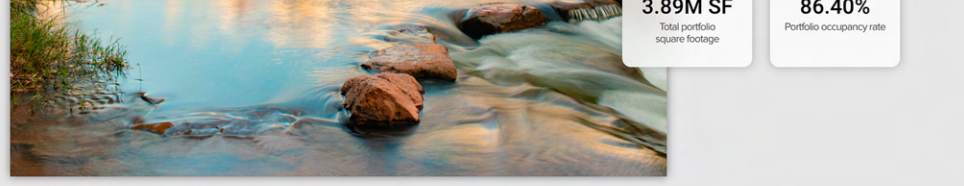
*Average annualized return since inception as of respective year/period end.

Type	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual	15.34%	21.69%	15.41%	19.86%	16.83%	19.46%	20.99%	14.79%	12.53%	12.50%
Since Inception*	15.34%	19.33%	17.82%	18.05%	18.30%	18.71%	18.95%	17.53%	17.30%	

Unit Price



Additional Fund Metrics



*Distributions since inception includes Q2-2024 distributions paid on 7/31/2024.

Acquisitions

Heritage Plaza Shopping Center
Tucson, AZ | Retail | 112,394 SF

Located in the Northwest Tucson retail corridor, Heritage Plaza Shopping Center is the Fund's second asset in the growing Tucson market. The center spans 112,394 square feet and was 93% occupied at closing. Key tenants include LA Fitness and Goodwill, along with various restaurants and services that drive consistent foot traffic and retail activity.

Additionally, during our due diligence, our acquisitions team identified discrepancies in the seller's offering materials regarding maintenance costs and reimbursement amounts, which indicated additional revenue that was not being collected. This represents potential upside in addition to the vacant shop space that was being inadequately marketed previously. We have already signed a lease on one of those vacant shop spaces and leasing activity has been very encouraging in the limited time we have owned the property.



Take 5 - Idaho Falls
Idaho Falls, ID | Retail | 1,400 SF

The most recent Take 5 acquisition marks the Fund's fourth location in the state and the first of several planned for Eastern Idaho. This location also marks the start of a new collaboration, with Lowe's selling a pad site in their parking lot to accommodate a Take 5 location, signaling a strategic partnership between the two businesses aimed at serving similar clientele.



Disposition

Take 5 - Ten Mile
Boise, ID | Retail | 1,400 SF

This quarter, the Fund completed the sale of Take 5 - Ten Mile. After purchasing the land in May 2022, we intended to develop a Take 5 location, and prepare an additional pad for a potential retail user. Prior to the development of the additional pad, we sold the excess half-acre, creating an attractive basis for the project.

Thanks to its prime location and the continued demand for single-tenant net lease properties, the gain on sale of Take 5 - Ten Mile achieved a new high watermark for the Fund. This successful outcome underscores the importance of our build-to-suit tenant-partnership program.



Acquisition Pipeline

601 Main
Spokane, WA
Office
173,238 SF

1994 Highland
Twin Falls, ID
Industrial
16,620 SF

3171 Quintale
Boise, ID
Retail (Build-to-Suit)
12,000 SF

Take 5 - Twin Falls Idaho
Twin Falls, ID
Retail (Build-to-Suit)
1,400

Portfolio at a Glance



As the broader real estate market has dealt with rising interest rates over the past few years, a common concern is the impact to the value of the Fund's assets. Valuation is not an exact science, but we strive to get into a reasonably tight range, especially when considering the long-term intrinsic values of our assets. We skew to the lower end of the range of reasonableness, evidence of this would include the current yields the portfolio is generating, in a time when many assets are providing little to no current cash flow. Additionally, we have consistently sold assets above their fair values.

We diligently review the fair value of every asset in the portfolio each quarter. Although the net effect, as reflected in the updated share price, might be a small increase or decrease each quarter, that should not be misinterpreted as though the asset values have not been adjusted. This quarter serves as a good illustration. There were five assets that were marked down/realized for a combined total of approximately \$9.6 million. Conversely, there were five assets (most notably Rock Pointe West) that were marked up a combined total of approximately \$9.8 million. The net effect was a mark up of approximately \$200 thousand, which resulted in a small increase in the share price.

We intend to discuss our methodology and these specific assets in additional detail in this quarter's call, and explain why these adjustments are warranted, and why we are excited about the upside in the portfolio as the assets continue to perform and the broader markets stabilizes.

While fair value assessments are important, we encourage our partners to focus on the Fund's realized returns, which offer a more objective measure of performance. Please be assured, we continuously evaluate to ensure the reasonableness of fair values.

Photo: Superstition Mountain, Arizona

Current Investments



Fund Description

The Alturas Real Estate Fund, LLC was professionally managed real estate investments. The Fund is a \$500 million equity offering created to make commercial and residential real estate investments. It targets middle-market properties frequently ignored by larger funds. These properties can be profitable as a diverse portfolio.

The Fund was created in May 2015 and owns properties in the Intermountain West and Inland Northwest. Managers of the Fund are continually searching for new properties to add to the Fund that meet strict underwriting criteria including a margin of safety, with a focus on cash flows.

Photo: Sedona, Arizona

Long-Term Note Offering

Interest rate	7-9% paid quarterly
Investment type	Secured notes
Security	Subordinate to property debt; senior to equity
Term	24-60 months
Minimum investment	\$100,000
Investor eligibility	Accredited investors
Provisions	Terms dependent on duration and amount

Equity Offering

Targeted returns	9-14%
Preferred return	8% paid quarterly
Profit split	70% investors, 30% manager after preferred return
Fees	1.5% asset management fee
Minimum investment	\$250,000
Investor eligibility	Accredited investors
Lockup period	24 months

All projections are hypothetical and predicated upon various assumptions that may or may not be identified as such. The future operating and financial performance information contained herein is for illustrative purposes and is not intended to portray any sort of targeted or anticipated returns. There can be no assurance that the Fund will achieve its investment objectives and actual performance may vary significantly from the information presented herein.

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