

QUARTERLY REPORT

4th Quarter 2020

Dear Investors,

The Alturas Real Estate Fund was able to finish out 2020 with a strong fourth quarter. While it has been a tumultuous year to say the least, we are grateful for the tenant, broker and investor partners that stuck with it and helped us make 2020 a great year in terms of fund performance. We are especially grateful for the team who redoubled their efforts in the face of uncertainty and were consistent and persistent in their pursuit of creating value for our partners.

Realized returns were 18.65% for the quarter bolstered by the sale of a small single-tenant retail asset in Colorado Springs. Realized returns excluding that sale were 18.32% indicating continued strong cash flow and portfolio performance.

We were also able to add two great assets to the portfolio. The first, International Gateway Center, is an asset we have had to fight hard to acquire. As you may remember, the seller defaulted on the day of closing and refused to convey the property to us over two years ago. Recently, in the middle of the holidays, the seller demanded that we close on the property in a very compressed timeframe. By leveraging several long-term relationships and due to the strength of the Fund, we were able to close on the property. This transaction was long overdue and we are excited to add this great flex-industrial asset in the fast growing Spokane market. The fight isn't over as we continue to seek damages; however, it is a huge win to finally own the property.

Additionally, we were able to add Airport Center to the portfolio, a Class A flex-office asset in the rapidly growing Phoenix suburb of Chandler. We are pleased to have added this high cash flow, quality asset to the Fund's growing asset base and to continue diversifying throughout the strong Phoenix market.

As we discussed last quarter, this uncertain period will likely yield some unique buying opportunities, some of which have already occurred and we anticipate additional growth in the first quarter and beyond. If you have not already done so and if you are interested in participating in upcoming fund raises, please click on the button below and complete the survey.

Investment Survey

As a reminder, the best way to continue growing your position in the Fund is to reinvest your distributions. This is because reinvested distributions are invested directly into the equity program (without sitting in a temporary note for a period of time) at the share price from the beginning of the quarter.

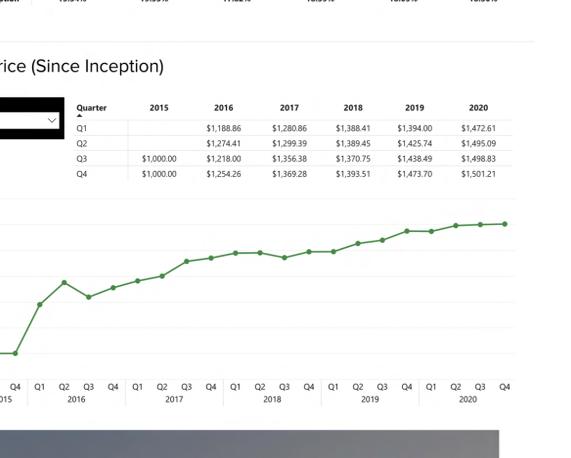
As always, we cannot thank you enough for your continued support and partnership.

Sincerely,

Travis Barney
Travis Barney, Chief Credit Officer
 Alturas Capital Partners, LLC

Blake Hansen
Blake Hansen, Chief Investment Officer
 Alturas Capital Partners, LLC

"While it has been a tumultuous year to say the least, we are grateful for the tenant, broker and investor partners that stuck with it and helped us make 2020 a great year in terms of fund performance."

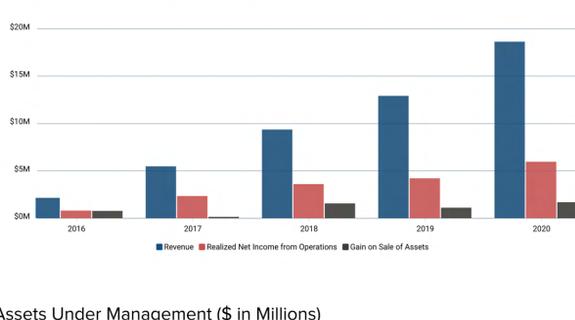


Realized Return

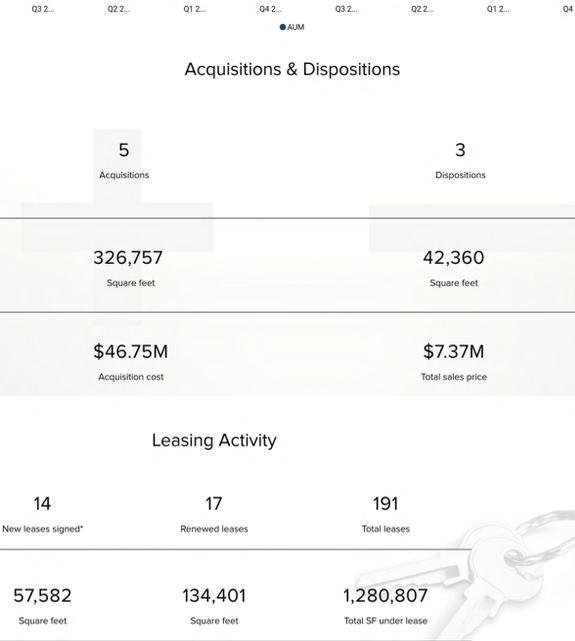


Month	2015	2016	2017	2018	2019	2020
January	13.37%		9.45%	12.90%	37.34%	14.30%
February	17.84%		15.17%	16.30%	13.86%	17.91%
March	14.84%		17.33%	15.91%	13.23%	13.93%
April	13.08%		16.08%	17.47%	14.28%	16.29%
May	13.64%	14.69%	11.39%	16.22%	13.20%	29.50%
June	13.64%	14.70%	29.02%	16.81%	25.08%	34.30%
July	13.62%	97.15%	13.89%	15.17%	12.96%	17.26%
August	11.79%	13.49%	16.21%	69.40%	13.14%	16.84%
September	23.57%	15.93%	14.53%	15.43%	15.13%	17.38%
October	14.90%	14.34%	15.16%	13.30%	14.86%	14.76%
November	15.15%	13.34%	13.90%	15.91%	15.82%	25.66%
December	15.04%	16.32%	13.18%	12.72%	12.87%	15.85%
Annual	15.34%	21.69%	15.41%	19.86%	16.83%	19.46%
Since Inception*	15.34%	19.33%	17.82%	18.39%	18.05%	18.30%

Unit Price (Since Inception)



Additional Fund Metrics

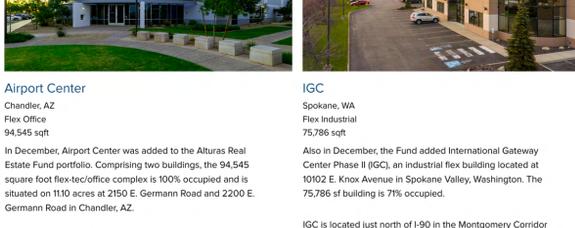


2020 Year in Review

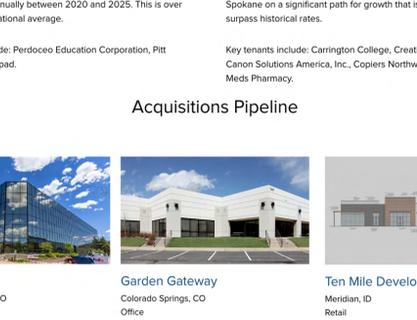
Financial Summary (\$ in Millions)



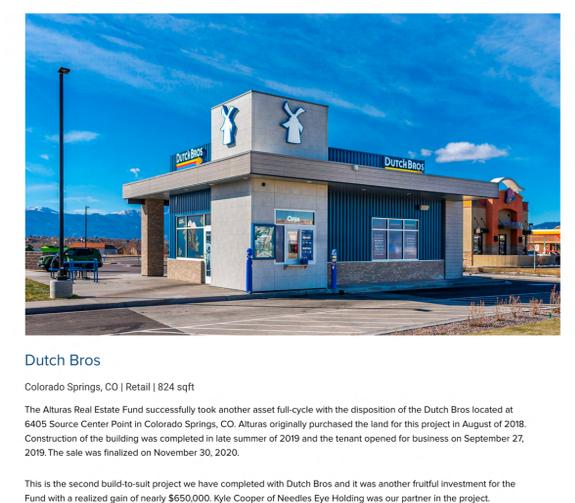
Assets Under Management (\$ in Millions)



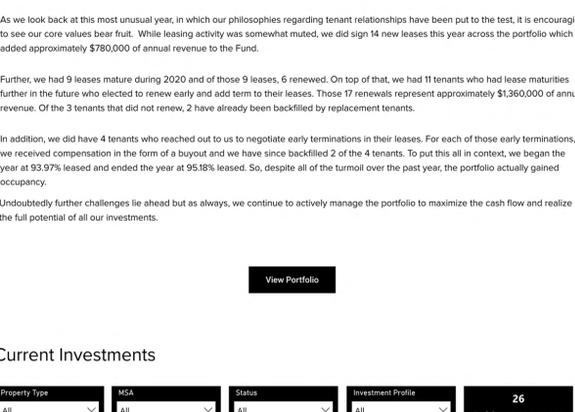
Acquisitions & Dispositions



Leasing Activity



Investor Highlights



New Acquisitions

Airport Center
 Chandler, AZ
 Flex Office
 94,545 sqft

In December, Airport Center was added to the Alturas Real Estate Fund portfolio. Comprising two buildings, the 94,545 square foot flex-tech/office complex is 100% occupied and is situated on 11.0 acres at 2150 E. Germann Road and 2200 E. Germann Road in Chandler, AZ.

Chandler is seen as the ultimate "live-work-play" environment and a central hub for the growing tech industry in metropolitan Phoenix. The asset is located near the Chandler Municipal Airport which provides long-term tenant appeal and flexibility.

Recently, the area has seen a substantial amount of tenant activity. From 2019 to 2020 over 13 million square feet of new tenants have been added to the market. Chandler is one of the fastest growing areas of the country and is projected to grow another 2.32% annually between 2020 and 2025. This is over three times the national average.

Key tenants include: Perdoceo Education Corporation, Pitt Fitness and Offerpad.

IGC
 Spokane, WA
 Flex Industrial
 75,786 sqft

Also in December, the Fund added International Gateway Center Phase II (IGC), an industrial flex building located at 10102 E. Knox Avenue in Spokane Valley, Washington. The 75,786 sq ft building is 7% occupied.

IGC is located just north of I-90 in the Montgomery Corridor neighborhood. This is a high-profile property with excellent visibility along Interstate 90. The location is central within the greater Spokane/Coeur d'Alene market.

Spokane is the second largest city in Washington with a population that is consistently growing. The current expansion is causing noticeable change in employment and demographics in the area. This positive growth and change in recent years and the draw of the Pacific Northwest puts Spokane on a significant path for growth that is predicted to surpass historical rates.

Key tenants include: Carrington College, Creative Office, Canon Solutions America, Inc., Copiers Northwest, and Ready Men Pharmacy.

Acquisitions Pipeline

Northcreek
 Colorado Springs, CO
 Office
 325,208 sqft

Garden Gateway
 Colorado Springs, CO
 Office
 115,052 sqft

Ten Mile Development
 Meridian, ID
 Retail
 10,158 sqft

Dispositions

Dutch Bros
 Colorado Springs, CO | Retail | 824 sqft

The Alturas Real Estate Fund successfully took another asset full-cycle with the disposition of the Dutch Bros located at 6405 Source Center Point in Colorado Springs, CO. Alturas originally purchased the land for this project in August of 2018. Construction of the building was completed in late summer of 2019 and the tenant opened for business on September 27, 2019. The sale was finalized on November 30, 2020.

This is the second build-to-suit project we have completed with Dutch Bros and it was another fruitful investment for the Fund with a realized gain of nearly \$650,000. Kyle Cooper of Needles Eye Holding was our partner in the project.

Portfolio at a Glance

As we look back at this most unusual year, in which our philosophies regarding tenant relationships have been put to the test, it is encouraging to see our core values bear fruit. While leasing activity was somewhat muted, we did sign 14 new leases this year across the portfolio which added approximately \$780,000 of annual revenue to the Fund.

Further, we had 9 leases mature during 2020 and of those 6 renewed. On top of that, we had 11 tenants who had lease maturities further in the future who elected to renew early and add term to their leases. Those 17 renewals represented approximately \$1,360,000 of annual revenue. Of the 3 tenants that did not renew, 2 have already been backfilled by replacement tenants.

In addition, we did have 4 tenants who reached out to us to negotiate early terminations in their leases. For each of those early terminations, we received compensation in the form of a buyout and we have since backfilled 2 of the 4 tenants. To put this all in context, we began the year at 93.97% leased and ended the year at 95.18% leased. So, despite all of the turmoil over the past year, the portfolio actually gained occupancy.

Undoubtedly further challenges lie ahead but as always, we continue to actively manage the portfolio to maximize the cash flow and realize the full potential of all our investments.

[View Portfolio](#)

Current Investments

Property Type	MSA	Status	Investment Profile	# of Current Investments
All	All	All	All	26

Property Type	MSA	Status	Investment Profile	# of Current Investments
All	All	All	All	26

Property Type	MSA	Status	Investment Profile	# of Current Investments
All	All	All	All	26

Investment	Date of Acquisition	Property Type	MSA	Size (SF)	# of Units	Status	Fund Investment (\$'000)	Occupancy
Alturas Homes*	2015-06	Single Family	Boise, ID	43,142	43 Units	In Progress	100%	1
Eagle Marketplace	2015-09	Retail	Boise, ID	60,024	24	Stabilized	100%	5
110 Main	2016-10	Office	Boise, ID	6,420	43	Stabilized	100%	1
Westpark	2015-02	Industrial	Boise, ID	117,510		Stabilized	100%	6
Mission Village	2016-09	Retail	Wenatchee, WA	32,950		Lease-up	75%	5
1444 Entertainment	2016-12	Office	Boise, ID	73,572		Stabilized	100%	15
Siete Square II	2017-06	Office	Phoenix, AZ	57,933		Stabilized	100%	8
Adelmann Building	2017-07	Retail	Boise, ID	15,438		Stabilized	100%	2
1550 Tech Lane	2017-08	Flex	Boise, ID	105,438		Stabilized	100%	8
Parkway Plaza	2018-02	Retail	Idaho Falls, ID	56,264		Lease-up	83%	3
The Ashby on Osborn	2018-03	Office	Phoenix, AZ	89,167		Lease-up	75%	13
Cottonwood Plaza	2018-09	Office	Boise, ID	43,142		Stabilized	100%	4
Eagle Island	2018-10	Retail	Boise, ID	10,204		Stabilized	100%	3
Siete Square III	2018-12	Office	Phoenix, AZ	53,936		Stabilized	93%	6
Shops at Decker Lake	2019-03	Office	Salt Lake City, UT	52,387		Lease-up	89%	7
4200 Hawthorne	2019-04	Retail	Pocatello, ID	78,225		Stabilized	100%	11
7733 Emerald	2019-04	Office	Boise, ID	4,424		Stabilized	100%	56
The Perisidio	2019-07	Office	Colorado Springs, CO	81,222		Stabilized	97%	15
2206 Whitney	2019-08	Office	Boise, ID	16,000		Stabilized	100%	1
Sandcreek Plaza	2019-08	Retail	Idaho Falls, ID	35,903		Stabilized	91%	3
Eagle Island and Organic Foods (INAOF)	2019-11	Industrial	Boise, ID	30,478		Stabilized	100%	1
Centennial Tech	2020-02	Office	Colorado Springs, CO	110,405		Stabilized	100%	16
297 Mycroft	2020-02	Industrial	Twin Falls, ID	21,000		Stabilized	100%	2
Shops at 38th	2020-08	Retail	Phoenix, AZ	23,021		Stabilized	100%	6
Airport Center	2020-12	Flex	Phoenix, AZ	94,545		Stabilized	100%	14

Sold Investments

Property Type	MSA	Investment Profile	# of Sold Investment
All	All	All	10

Property Type	MSA	Investment Profile	# of Sold Investment
All	All	All	10

Property Type	MSA	Investment Profile	# of Sold Investment
All	All	All	10

Investment	Date of Acquisition	Date of Disposition	Property Type	MSA	Size (SF)	# of Units	Status	Sold Price (\$'000)	Realized Gains (\$'000)
1124 Caldwell Blvd	2015-10	2017-06	Retail	Boise, ID	2,646	6	Sold	1,050	
Treasure Valley Townhomes	2015-12	2016-07	Multi-family	Kansas City, MO	18 Units	18	Sold	2,020	
Legends Valley Crossing	2016-09	2018-08	Retail	Boise, ID	21,000		Sold	5,650	
595 Washington	2016-12	2019-06	Industrial	Twin Falls, ID	11,195		Sold	1,260	
12005 Meridian	2017-04	2018-11	Retail	Seattle, WA	7,388		Sold	4,950	
Centennial Tech	2017-04	2019-01	Office	Colorado Springs, CO	110,405		Stabilized	2,300	
297 Mycroft	2017-09	2017-09	Single Family	Boise, ID		1 Unit	Sold	605	
Parkway Plaza Midbox (Partial Sale)	2018-02	2020-05	Retail	Idaho Falls, ID	19,036		Sold	1,715	
5804 Farview	2018-08	2020-06	Retail	Boise, ID	22,500		Sold	3,350	
Dutch Bros Colorado Springs	2018-08	2020-11	Retail	Colorado Springs, CO	824		Sold	3,300	

Fund Description

The Alturas Real Estate Fund, LLC was formed by Alturas to provide high-net-worth individuals and accredited investors access to professionally managed real estate investments. The Fund is a \$300 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 that protects the investor's downside risk.

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.

Summary of Equity Offering

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

Summary of Debt Offering

Return range:	6-8% interest rate, paid quarterly
Investment type:	Secured notes
Minimum investment:	\$100,000
Investor eligibility:	Accredited investors only
Security:	Priority position before equity investors

[Learn More About the Fund](#)