

QUARTERLY REPORT

3rd Quarter 2023

"The team at Alturas Capital Partners not only allows us to operate at a high level now, but it ensures the Fund continues at a high-level years into the future."

Dear Investors,

It was another quarter for the Fund with realized returns of 12.87%, including the sale of one asset: Mission Village in Wenatchee, Washington. Returns from operations were 11.20% without that asset sale. Total returns were 11.86%, with the primary difference between realized and total returns being the sale of Mission Village as it went from an unrealized gain via fair value adjustments in prior quarters to a realized gain, thereby removing the asset from the unit values. As you know, we are generally reluctant to sell any asset. However, we were able to maximize the property's occupancy and cap rates has remained relatively low, so it made sense to sell. You can find more information in the disposition section of this report.

We also wanted to take some time to spotlight our team at Alturas Capital Partners, the manager of the Fund. As you know, we are long-term operators and investors, and the ultimate reflection of this is the investment we make in our team. Our team now consists of approximately 50 top-notch professionals located across five markets, dedicated to the Fund and its assets. This team not only enables us to operate at a high level now, but it provides stability and consistency to ensure that the Fund continues to operate at a high level years into the future.

As we have discussed in recent reports, we are entering a period of heightened buying opportunities. We have two acquisitions moving forward and will be raising capital in the coming weeks. We are excited about these near-term opportunities and the ones that will follow. There is a degree of fear in the market right now, which can create great buying opportunities. Our team is working every day to selectively choose the assets that we believe will be great long-term additions to the portfolio. If you haven't already, please fill out the survey so you are notified of upcoming capital raises.

Additionally, as we continue to pay down our senior debt, we may have a limited number of long-term note opportunities. For those looking for additional liquidity and predictability, the long-term note offering could have a place in your investment strategy. Further details about the long-term note offering are available later in this report. If you are interested in learning more, please get in touch with our investor relations team.

As always, thank you for your continued support and partnership.

Tara Barney
Tara Barney, Chief Executive Officer
Alturas Capital Partners, LLC

Devin Morris
Devin Morris, Chief Operating Officer
Alturas Capital Partners, LLC

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

Long-Term Note Offering

Click the button to learn more about our long-term note offering.

Equity Offering

Click the button to learn more about our equity offering.

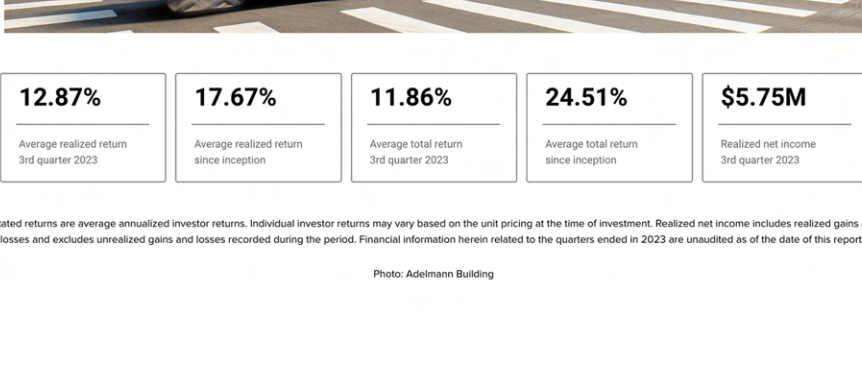
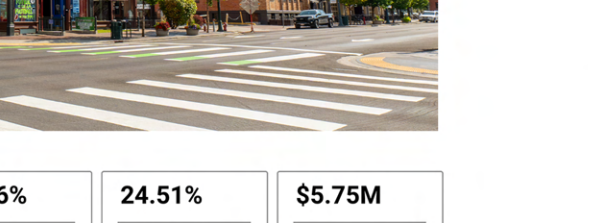
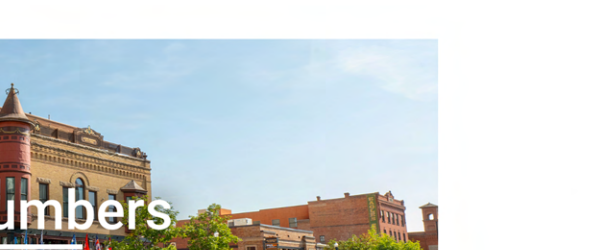
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Team Spotlight

Over the years, we've been fortunate to build a team of talented professionals and wanted to take a moment to highlight their contributions. Operating across five offices, our team has expanded to 50 dedicated professionals whose sole focus is to manage the Fund to its highest standards, creating value for our tenants, brokers, and investors. Given that we intend to operate the Fund indefinitely, we understand our biggest competitive advantage is and will continue to be our team. Our team embodies and upholds our core values, ensuring that we continue to have a well-aligned, capable team that is empowered to act and keep moving the company forward.

20+ Team members invested in the fund	50 Team members	5 Offices
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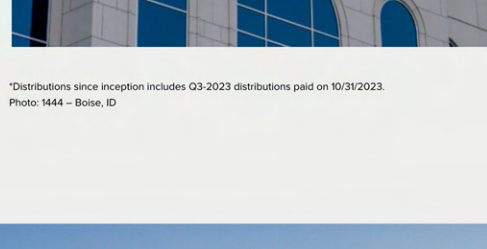
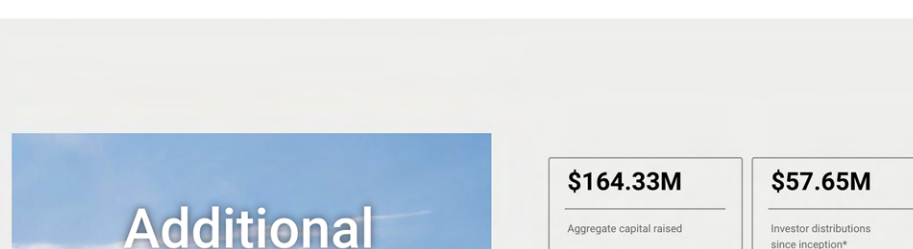
Realized Returns



Type	2015	2016	2017	2018	2019	2020	2021	2022	2023
Annual	15.34%	21.69%	15.41%	19.86%	16.83%	19.46%	20.99%	14.79%	12.38%
Since Inception*	15.34%	19.33%	17.82%	18.39%	18.05%	18.30%	18.71%	18.19%	17.67%

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

Unit Price



Additional Fund Metrics

*Distributions since inception includes Q3-2023 distributions paid on 10/31/2023. Photo: 1444 - Breaux, CO

\$164.33M Aggregate capital raised	\$57.65M Investor distributions since inception*
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250+ Number of investors	58.69% Current reimbursement rate
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\$1,657.70 Unit price	\$556.96M Assets under management
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3.32M SF Total portfolio square footage	85.26% Portfolio occupancy rate
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Portfolio at a Glance

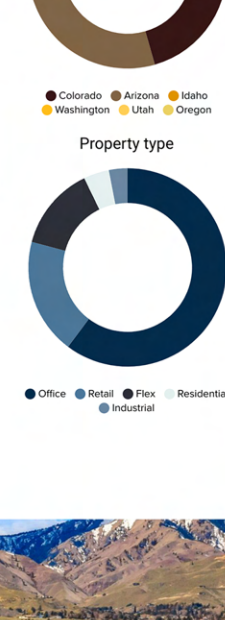
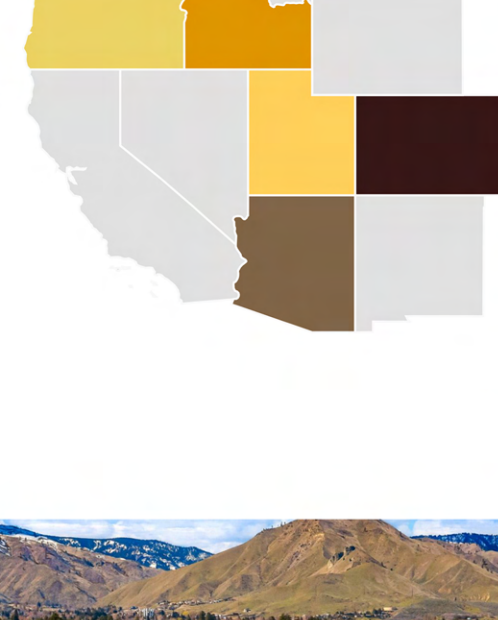
Portfolio

Philosophically, while we have been and will remain long-term holders of our assets, we are opportunistic sellers when the right conditions exist. This is very much asset specific, but we have sold a handful of investments in the Fund and will continue to do so where it makes sense to maximize the portfolio and its performance. Typically, this has been limited to our build-to-suit single tenant assets and will likely predominantly remain as such. But, as evidenced by the sale of Mission Village (see additional details below), when we feel like we have maximized the performance of an asset, it can make sense to sell and redeploy the capital into a higher-yielding property. We have several assets that have been recently completed or will be completed soon, and these could be ideal candidates to sell. Currently a few assets are under contract to sell. We will provide updates as these transactions happen.

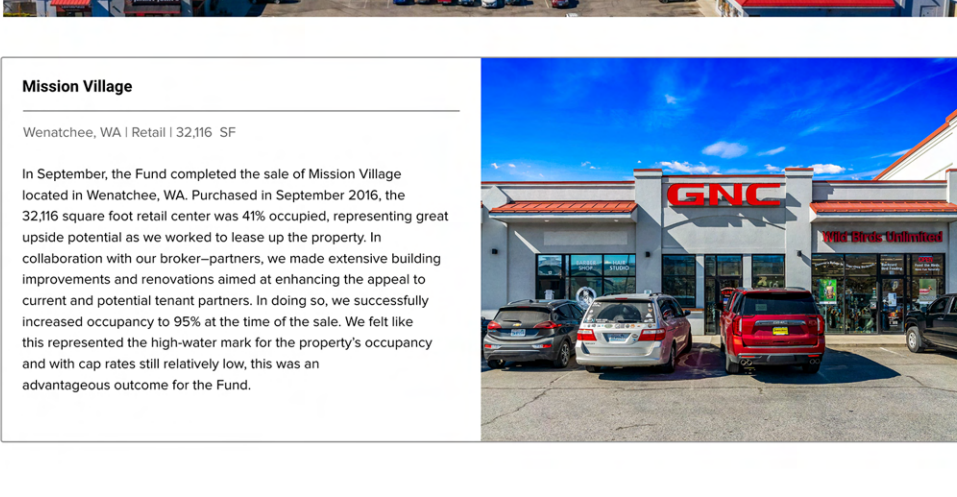
Photo: Mount Rainier National Park, WA

Current Investments

45 Total properties
3.32M Total portfolio SF
85.26% Occupancy rate
\$511,007 Cost basis (\$'000)



Details

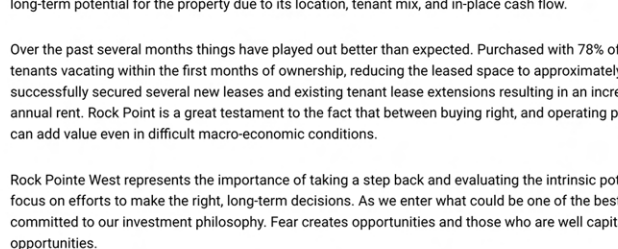


Disposition

Mission Village

Wenatchee, WA | Retail | 32,196 SF

In September, the Fund completed the sale of Mission Village located in Wenatchee, WA. Purchased in September 2016, the 32,196 square foot retail center was 41% occupied, representing great upside potential as we worked to lease up the property. In collaboration with our broker-partners, we made extensive building improvements and renovations aimed at enhancing the appeal to current and potential tenant partners. In doing so, we successfully increased occupancy to 95% at the time of the sale. We felt like this represented the high-water mark for the property's occupancy and with cap rates still relatively low, this was an advantageous outcome for the Fund.



Case Study: Rock Pointe West

Now approximately 6 months into our investment, we wanted to provide an update on our Rock Pointe West property. A local broker-partner in the Spokane area brought the property to us because of our existing relationship and his knowledge of our ability to execute on value-add projects. He knew the private owner was a motivated seller looking to get out of the market due to the headwinds surrounding office space in urban gateway markets. He also had extensive market knowledge and knew of the untapped leasing potential of the asset. Following his lead, our team recognized the long-term potential for the property due to its location, tenant mix, and in-place cash flow.

Over the past several months things have played out better than expected. Purchased with 78% of the space already leased, we anticipated several tenants vacating within the first months of ownership, reducing the leased space to approximately 72%. Assisted by our broker-partner, the team has successfully secured several new leases and existing tenant lease extensions resulting in an increase to 83.17% representing an additional \$799,594 of annual rent. Rock Pointe is a great testament to the fact that between buying right, and operating professionally in conjunction with the right partners, we can add value even in difficult macro-economic conditions.

Rock Pointe West represents the importance of taking a step back and evaluating the intrinsic potential of often overlooked or undervalued assets. We focus on efforts to make the right, long-term decisions. As we enter what could be one of the best buying periods in the Fund's history, we remain committed to our investment philosophy. Fear creates opportunities and those who are well capitalized will be able to take advantage of those opportunities.

274,924 Total square footage leased	13 Leases signed since acquisition	\$799,594 Additional projected annual rent
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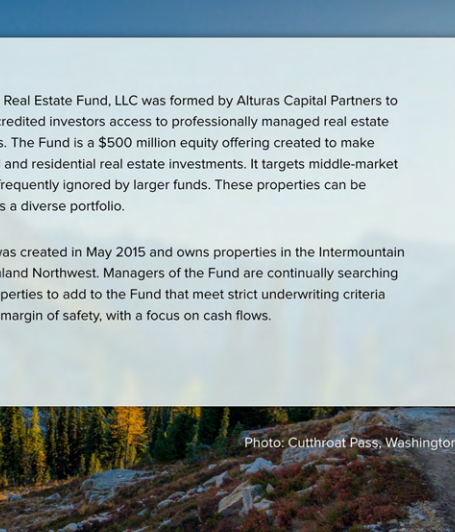
Acquisition Pipeline

Sandy Center Sandy, UT Suburban Office 121,977 SF	White Mountain Rock Springs, WY Retail 336,870 SF	Take 5 Twin Falls, ID and Idaho Falls, ID Retail (Build-to-Suit) 1,400 SF
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Long-Term Note Offering

Interest rate	7.9% paid quarterly
Investment type	Secured notes
Security	Subordinated 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

Debt Service Coverage Ratio (DSCR)



Click the button to learn more about our long-term note offering.

Learn More

Fund Description

Learn More

The Alturas Real Estate Fund, LLC was formed by Alturas Capital Partners to provide accredited investors access to 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 the Fund is operating 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: Clifton Park, Washington