

QUARTERLY REPORT

1st Quarter 2023

"The Fund has a long-term investment horizon and a focus on cash flow, ensuring we are never forced buyers or forced sellers. This philosophy will position us to participate in future buying opportunities."

Dear Investors,

It was another consistent quarter for the Fund. Realized returns were 11.99% and total returns were 12.53%. We are pleased with these returns, especially on a relative basis. As we discuss later in the Portfolio at a Glance section, we continue to have several new leases that will be commencing in the second quarter. We are also excited to announce a large new lease in Colorado Springs that was signed earlier this week. This \$8,000 square foot lease will be a game changer for North Creek. This outcome is a great example of how with the right partners, in the right markets and with the right cost basis, we can adapt, solve problems, and create value.

We have also had strong interest in the note program. As our senior debt continues to amortize and be paid down, the Investor Notes help us sustain a conservative level of leverage while maintaining a healthy global debt service coverage ratio. The notes could have a place in your overall portfolio if you are looking for a fixed-income investment with attractive risk-adjusted returns and additional liquidity options. Use the button to the right to learn more about the Fund's debt offering.

We acquired the Rock Pointe West property right at the end of the quarter. Rock Pointe West is a class A office property with good in-place occupancy and high in-place cash flow that will be immediately accretive to Fund returns, with significant future upside.

We could be entering a period with more buying opportunities. As such, we are preparing to take advantage of changing markets and would encourage our investor partners to do the same. This starts with ensuring that the existing portfolio continues to outperform, and we remain steadfastly focused on our properties and tenants. We organized the Fund with a long-term investment horizon and a focus on cash flow, ensuring we are never forced buyers or, worse yet, forced sellers. This philosophy will position us to participate in future buying opportunities.

We are pleased to have launched the investor portal this quarter. As with any new technology or process, there will be a learning curve and, potentially, technical issues. If any questions come up, please be sure to reach out.

Thank you again for your partnership. We are looking forward to continued success with you, our partners!

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

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

Debt Offering

Click the button to learn more about our debt offering.

[Learn More](#)

Equity Offering

Click the button to learn more about our equity offering.

[Learn More](#)

Key Numbers



*Stated 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 2023 are unaudited as of the date of this report.

Photo: Lobby of Rock Pointe Tower - Spokane, WA

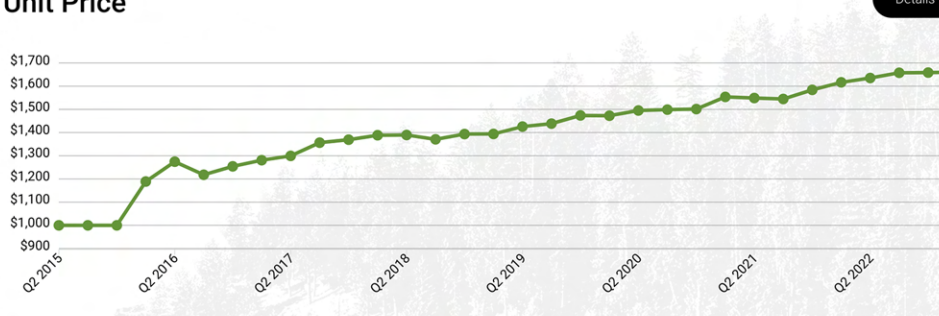
Realized Returns



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%	11.99%
Since Inception*	15.34%	19.33%	17.82%	18.39%	18.05%	18.30%	18.71%	18.19%	18.00%

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

Unit Price



Additional Fund Metrics



\$154.81M
Aggregate capital raised

\$48.19M
Investor distributions since inception*

225+
Number of investors

58.44%
Current reinvestment rate

\$1,660.49
Unit price

\$551.81M
Assets under management

3.37M SF
Total portfolio square footage

84.67%
Portfolio occupancy rate

*Distributions since inception includes Q1-2023 distributions paid on 04/28/2023.

Photo: Mission Village - Wenatchee, WA

New Acquisition

Rock Pointe West
Spokane, WA | Office | 336,332 SF

"Rock Pointe is the preeminent office complex in the Spokane area, located in the downtown periphery submarket. It continues to grow occupancy due to the location, access to services, surrounding development from public and private investments, and the ability to accommodate tenants of all size ranges. As we come out of the pandemic, we see this asset continuing to be a staple in the Spokane market for years to come."

— Erik Nelson, Broker Partner

Click the button below to learn more about this acquisition.

[Learn more](#)



Acquisitions Pipeline

<p>Pocatello Square Pocatello, ID Retail 139,064 SF</p>	<p>White Mountain Rock Springs, WY Retail 336,870 SF</p>	<p>Rock Pointe East Spokane, WA Office 415,209 SF</p>
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Portfolio at a Glance



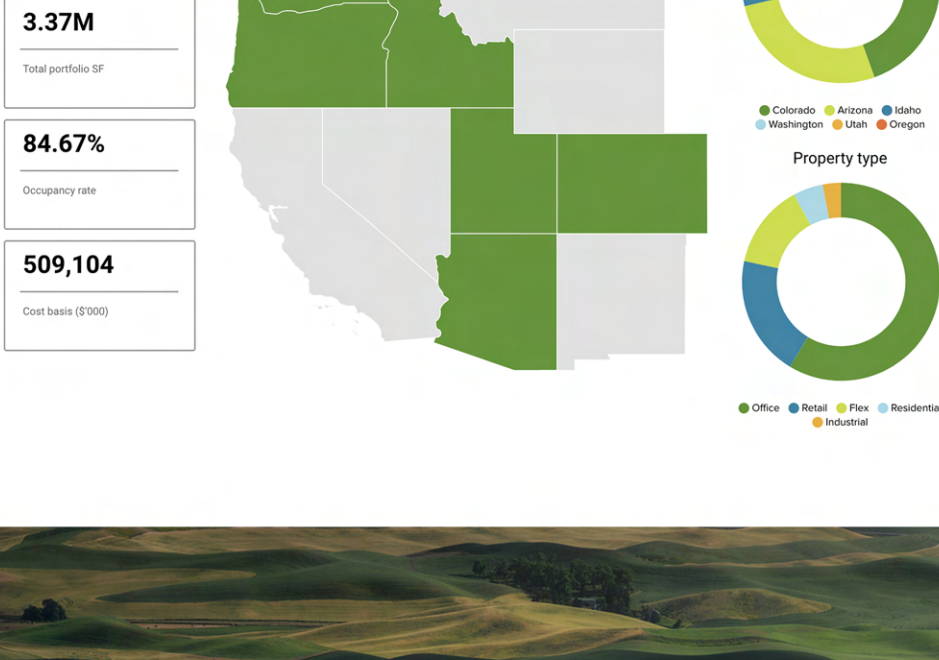
As touched upon in the Manager Letter, there are several larger leases that will be commencing in Q2 that will have a positive impact on future returns. Among those: a 9,800 SF tenant at 1444 Entertainment, a 31,000 SF tenant at Newport and a 15,000 SF tenant at Gainey Ranch. In addition, we have reached or are nearing completion of several of our development projects. Notably, Take 5 Ontario opened and began paying rent in February, while Take 5 Glenwood also opened and will begin paying rent in May. Not far behind, Brightstar Eagle is on schedule to be completed in June and Brightstar Meridian in August. All of these leases will be accretive to the income of the Fund and add further stability to the portfolio. As always, we continue to actively manage the portfolio to maximize cash flow and realize the full potential of all our investments.

Photo: Palouse Falls, WA

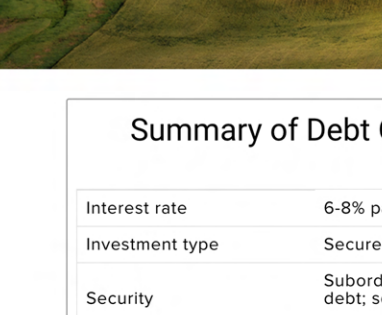
Property Highlight

<p>North Creek Colorado Springs, CO Office 325,208 SF</p> <p>We wanted to take a moment to highlight our North Creek property. When we acquired the property, we created a plan in collaboration with our broker-partners to improve the asset and make it more desirable to our current and prospective tenant-partners. As a result, we recently completed a major renovation to common areas, amenities, and lobbies (see photos above), and we are pleased that the investment has had the desired effect.</p> <p>Over the last six months, we have signed 4 new leases totaling 65,762 SF. Most notable are 15,000 SF Nooks lease that was just signed. When we learned that CSAA intended to downsize, it certainly was a "step back". However, because we have the right cost basis, the right team, and a strong Colorado Springs market, we have been able to turn this into "two steps forward". Converting this space from a call center to a space catering to cutting edge defense contractors, in the long run, will be a much better outcome for North Creek. It will create long-term value, not only within this 57,727 SF, but it will also attract additional like-minded users to the property.</p> <p>Across the portfolio, there has been good and bad news over the last several tumultuous years, but the good has outweighed the bad, which is a testament to our team, partners, and markets. Change creates opportunities, and we look forward to taking advantage of the opportunities changing markets create.</p>	<p>Renovation</p> <p>Click the button below to learn more about this renovation project.</p> <p>Learn more</p> <p>Nooks</p> <p>Click the button below to see the official announcement from the governor's office.</p> <p>Learn more</p>
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Current Investments



Fund Description



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 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: Palouse, WA

Summary of Debt Offering

Interest rate	6-8% 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
Short-Term alternative	6-12 month revolving line of credit

Summary of 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.

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