



# QUARTERLY REPORT

## 4th Quarter 2021

Dear Investors,

The Fund continued its strong performance in the fourth quarter. Realized returns were 16.64% for the quarter which was entirely derived from operations. Realized returns were lower than the third quarter due to year-end expense reconciliations at the property level. Nonetheless, realized returns for the year were 20.99%.

The year ended with a flurry of acquisitions as well, including an industrial project with existing buildings and significant future development potential, two Brightstar senior living build-to-suit projects, an office building in Denver that we have been working on for several years, a portfolio of two office buildings in Colorado Springs, and a retail property in Phoenix. Between the pandemic and the prospect of tax law changes, there were distinctively more motivated sellers throughout 2021 and we are grateful for our partners and team that have allowed us to take advantage of these additional opportunities.


While there are always ups and downs in the market and at the individual properties, we are excited to add these quality assets to the portfolio and we are confident they will continue to build upon our solid foundation. For more details on the acquisitions please see the New Acquisitions section below.

The pipeline of new acquisitions also remains robust, having already closed three retail properties in early January. The retail sector continues with its strong comeback, and we anticipate that these assets will provide strong cash flows and additional diversification. Our strategy remains focused on acquiring or developing quality assets that have the potential to provide outsized cash flow to the Fund over the long-term. We are focused on the growth markets of the Western United States, specifically the Inland Northwest, Intermountain West, and Texas.

Overall, we continue to be pleased with the performance of the portfolio, as reflected in the returns. While there are still headwinds, the return to office momentum appears to be accelerating in our markets and the retail, residential and industrial markets remain very strong.


As your investment objectives change, please continue to update the investor survey by following the link below. As always, thank you for your support and partnership.

**Investor Survey**



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

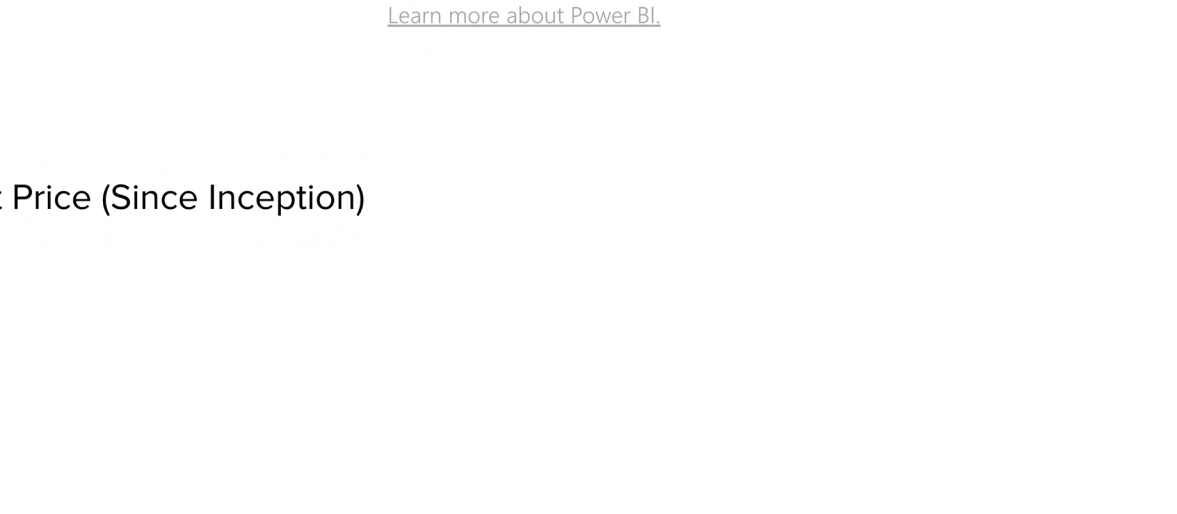
**Investment Process**



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

*"We continue to be pleased with the performance of the portfolio, as reflected in the returns. While there are still headwinds, the return to office momentum appears to be accelerating in our markets and the retail, residential and industrial markets remain very strong."*

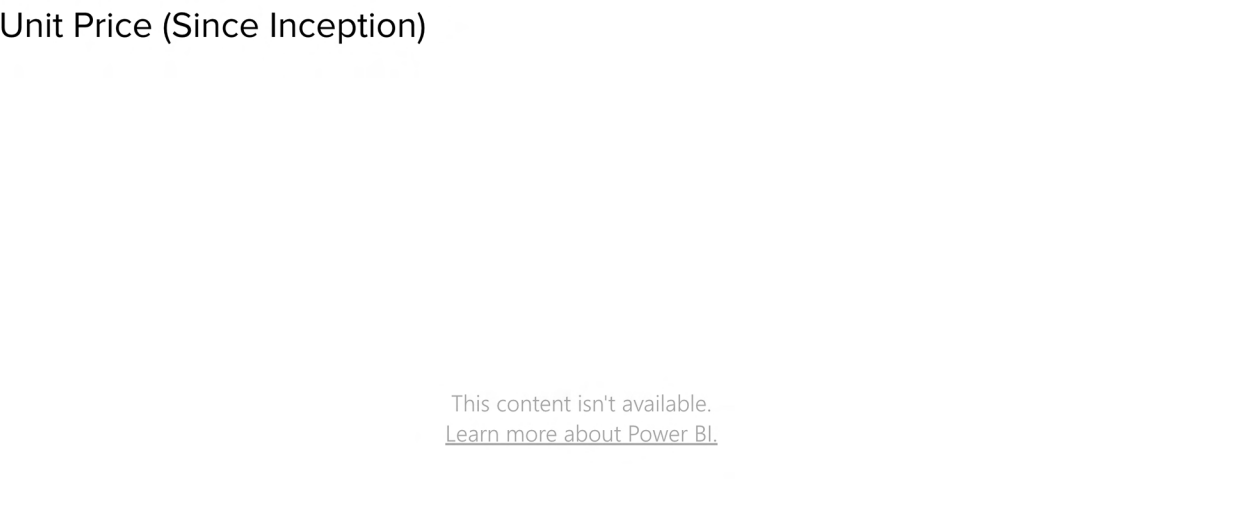
## Key Numbers



\*Standard returns are average annualized investor returns. Individual investor returns may vary based on the amount of the time of investment. Distributable 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 2022 are unaudited as of the date of this report.

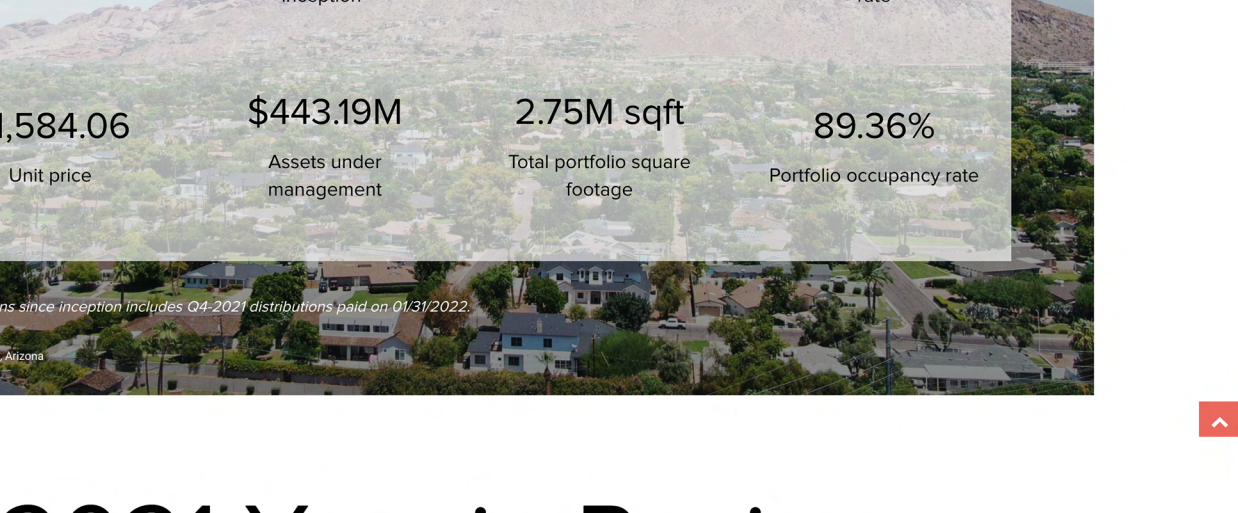
Photo: The Shops at 38th - Phoenix, Arizona

## Realized Return



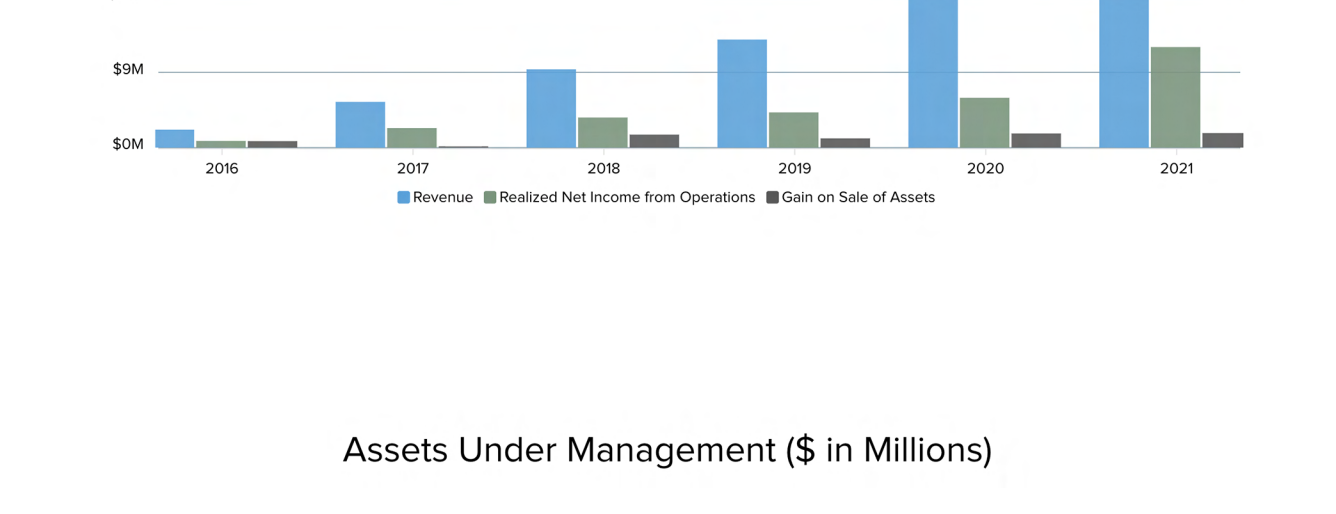
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## Unit Price (Since Inception)



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## Additional Fund Metrics

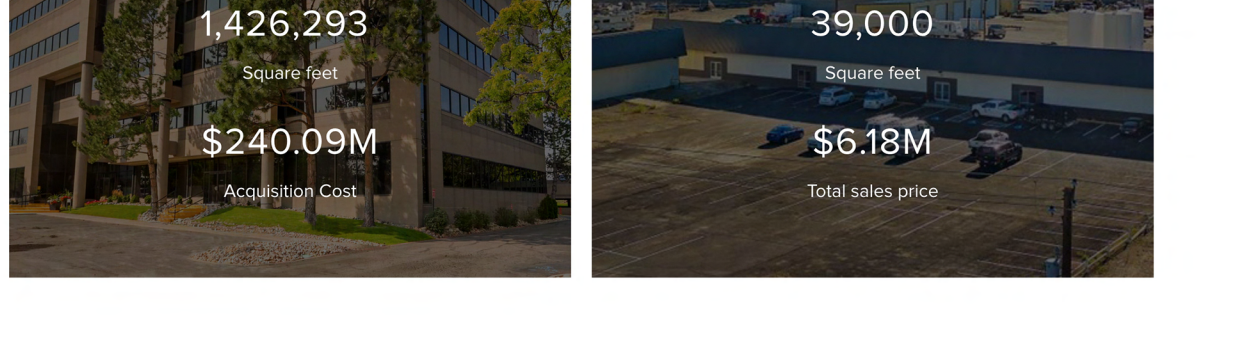


\*Distributions since inception \$28,988,088 (04/2017) distributions paid out 04/31/2022

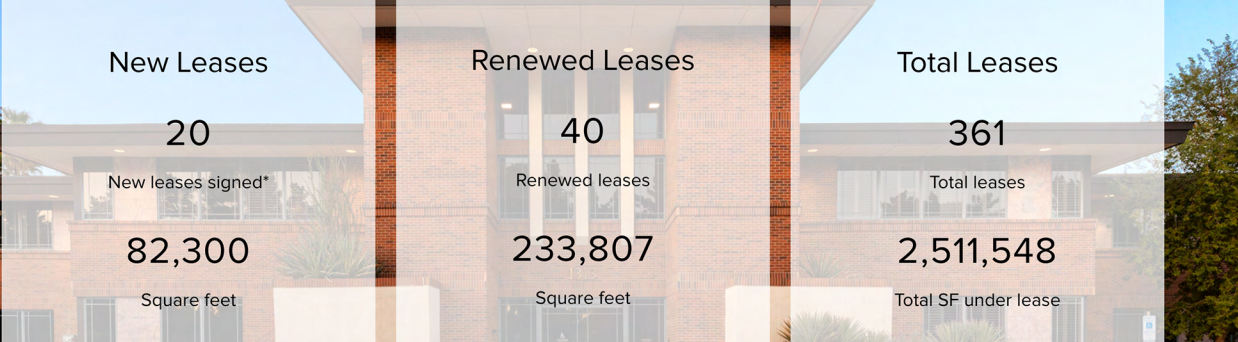
Photo: Phoenix, Arizona

## 2021 Year in Review

### Financial Summary (\$ in Millions)



### Assets Under Management (\$ in Millions)



### Transactions

#### Acquisitions

**16**  
Acquisitions

**1,426,293**  
Square feet

**\$240.09M**  
Acquisition Cost

#### Dispositions

**2**  
Dispositions

**39,000**  
Square feet

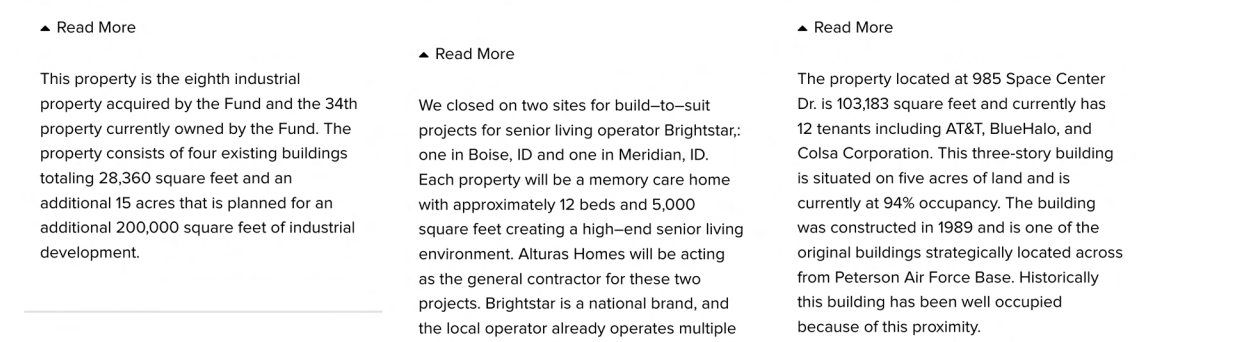
**\$6.18M**  
Total sales price

### Leasing Activity



\*Includes in-place leases of properties acquired during 2021

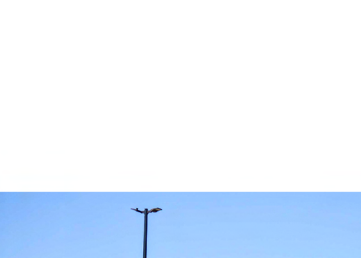
### Investor Highlights



## New Acquisitions

As discussed over the last several quarters, the economic headwinds of the past year have created some buying opportunities. While there is still uncertainty in the marketplace and there will be additional bumps in the road, we are excited to have added seven quality assets to the portfolio and we are confident that over the long-term they will continue to provide strong cash flow to the Fund and its investors.

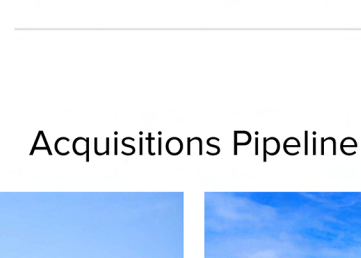
It is difficult to be a strategic investor, not just emotionally, but it is also difficult to be an investor that would have created headwinds. We are very grateful for the strength of the Fund and the commitment and trust of our investors. None of this would have been possible without the foundation we have built together over six plus years.



**5617 E Cleveland Blvd**  
Caldwell, ID | Industrial | 28,360 sqft

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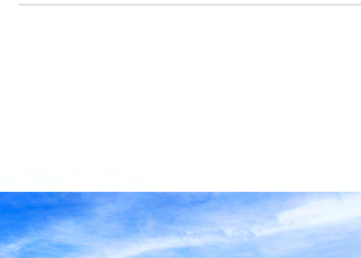
This property is the eighth industrial property acquired by the Fund and the 34th property currently owned by the Fund. The property consists of four existing buildings totaling 28,360 square feet and an additional 200,000 square feet of industrial development.



**Brightstar**  
Boise Metro Area, ID | Senior Living | 2 Locations

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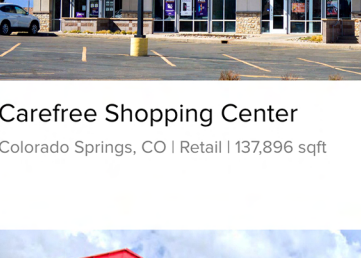
We closed on two sites for build-to-suit projects for senior living operator Brightstar: one in Boise, ID and one in Meridian, ID. Each property will be a memory care home with approximately 12 beds and 5,000 square feet creating a high-end senior living environment. Alturas Homes will be acting as the general contractor for these two projects. Brightstar is a national brand, and the local operator already operates multiple units in the area.



**985 Space Center Dr**  
Colorado Springs, CO | Office | 103,183 sqft

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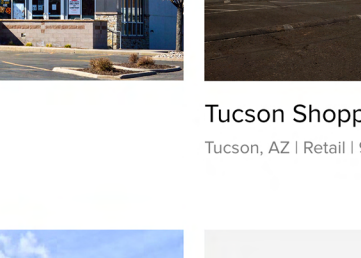
The property located at 985 Space Center Dr. is 103,183 square feet and currently has 12 tenants including AT&T, BlueHalo, and Coika Corporation. This three-story building is situated on five acres of land and is currently at 94% occupancy. The building was constructed in 1989 and is one of the original buildings strategically located across from Peterson Air Force Base. Historically this building has been well occupied because of this proximity.



**1055 N Newport Rd**  
Colorado Springs, CO | Office | 59,763 sqft

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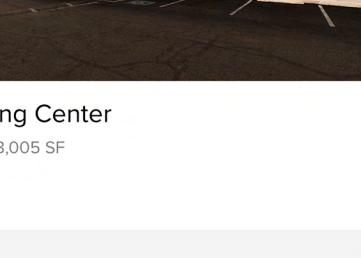
1055 N. Newport Road, a 59,763 square-foot building, is a two-story office property 99% occupied by two tenants, Serco, Inc., a government contractor, and Enesco Inc., an international tech company. This property has immediate access to Peterson Air Force Base, the Colorado Springs Airport, and numerous government contractors.



**Orchard Pointe**  
Denver, CO | Office | 120,416 sqft

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Orchard Pointe is a 120,416 square foot office property located in southeast Denver, CO in the heart of the Denver Technological Center (DTC). The six-story office building is 92% leased to 23 diverse tenants including Fairway Independent Mortgage Corporation and Regency Centers Corporation. The property is well-positioned in the DTC at the interchange of Interstate 25 and Orchard Road and is situated on 3.69 acres of land.




**Metro Towne Center**  
Phoenix, AZ | Retail | 136,592 sqft

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Metro Towne Center is 136,592 square feet and was built in 2003. It is situated on 14.16 acres just off the interchange at 117 and Peoria Avenue, a highly-trafficked and easily accessible area. The shopping center is 95% occupied with 25 strong tenants. Key tenants include: Ross, PetSmart, JD's Discounts, and Big 5. Most of the tenants at this retail center are national brands.



**Take 5**  
Ontario, OR | Retail | 1,400 SF



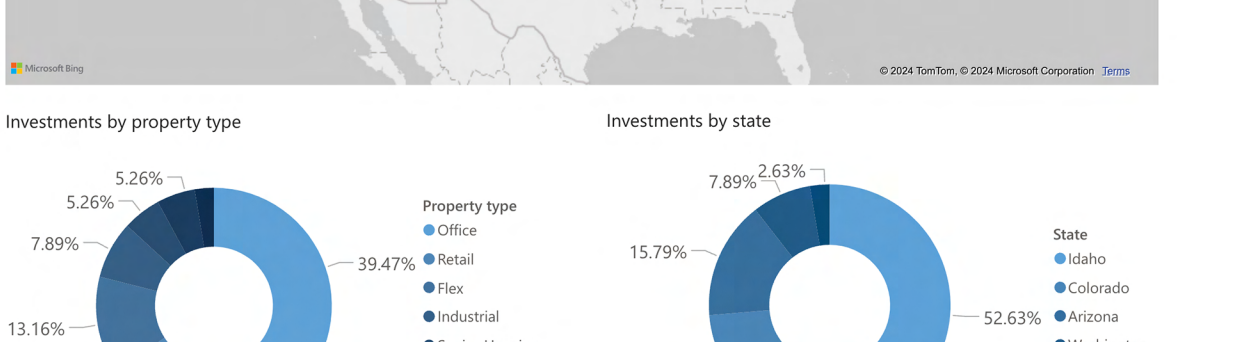
**Star Development**  
Star, ID | Retail | 4,000 SF

## Portfolio at a Glance

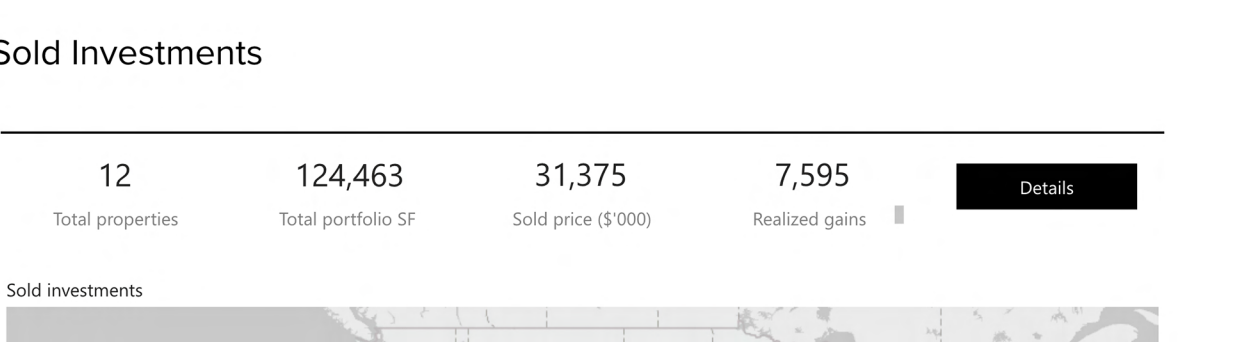
Following the summer lull, new leasing activity noticeably picked up throughout the portfolio this quarter, while renewal activity remained strong. This adds further validation to our belief that the recovery in commercial real estate continues apace, particularly in our target markets. For more information on the macroeconomic trends impacting our markets, please see the market summary below.

[View Portfolio](#)

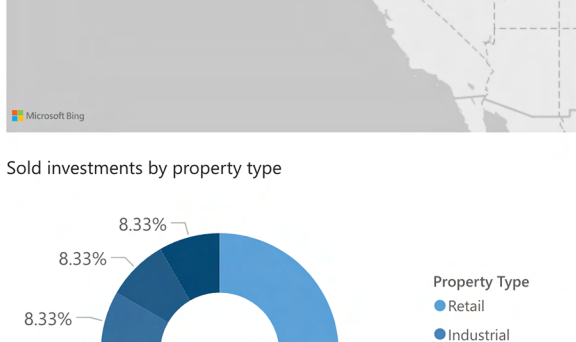
### Current Investments



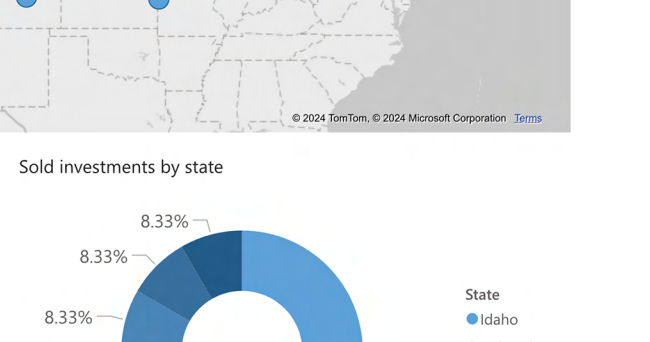
Current investments



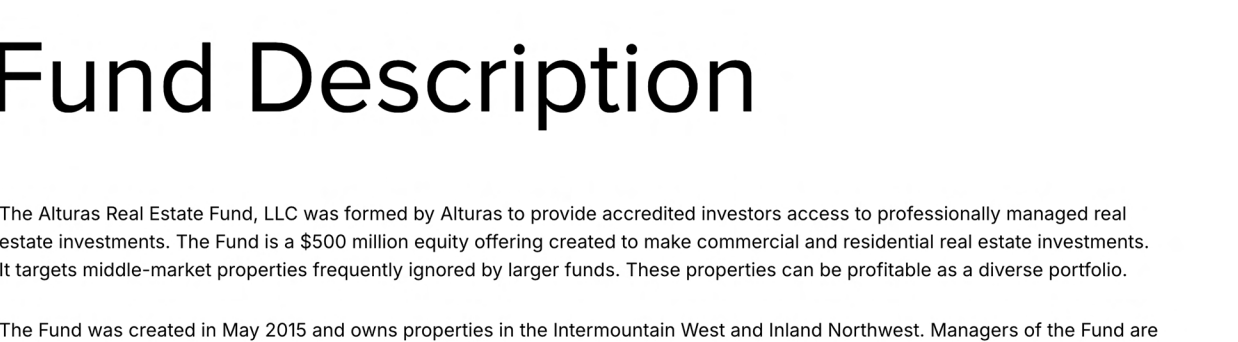
Investments by property type



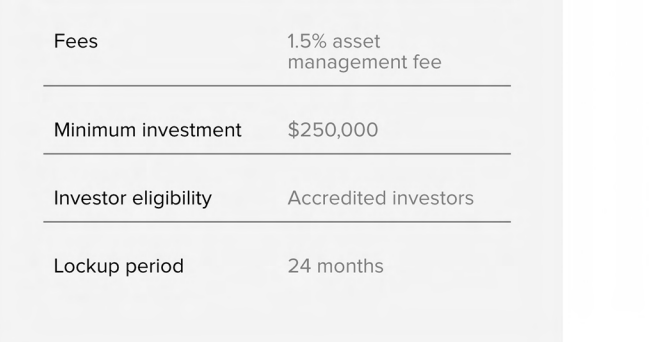
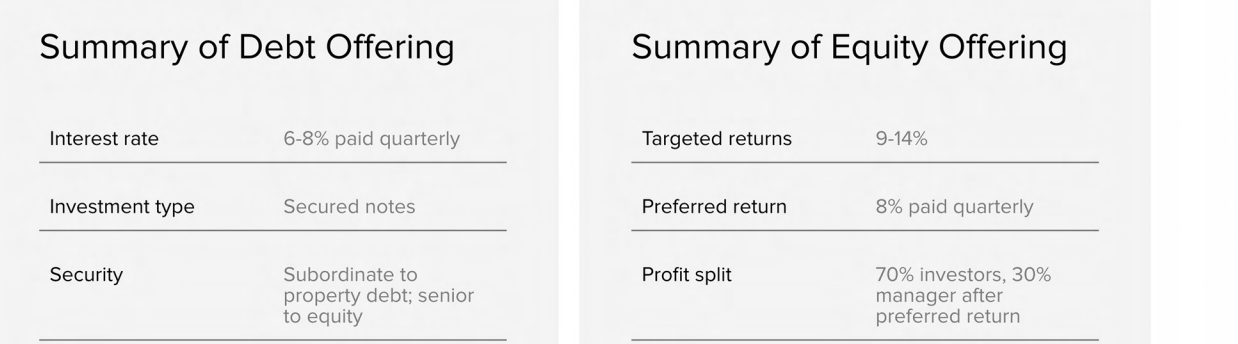
Investments by state



### Sold Investments



Sold investments



## Fund Description

The Alturas Real Estate Fund, LLC was formed by Alturas 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.

#### 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	\$250,000
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

For more information about investing view our investment process.

[Learn More](#)

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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