

QUARTERLY REPORT

1st Quarter 2021

Dear Investors,

2021 is off to a great start as the Fund continued its strong performance in the first quarter. While many times new acquisitions can have a negative impact on returns in the early stages of the investment life cycle, we were fortunate to add several assets with high levels of cash flow from the beginning. This is reflected in the ongoing realized returns from operations of 19.38%. Total realized returns were 21.38% which is slightly higher as we did sell a small asset for a gain during the quarter.

We continue to experience very unique market conditions. Rent collections and leasing activity remain strong in our portfolio; however, the investment market is still looking to regain its footing. This situation allowed us to acquire the assets we have over the past several months. It is also likely that there will be additional buying opportunities (including the projects in the Acquisitions Pipeline below) in the weeks and months to come as the dislocation of the investment market persists.

With that in mind, please complete the investor survey by clicking the button below and share it with your friends and colleagues as appropriate. Investor demand remains high and by completing the survey you not only ensure you will have the best opportunity to place capital, but it also allows us to manage the Fund efficiently.

"We continue to experience very unique market conditions. It is likely that there will be additional buying opportunities as the dislocation of the investment market persists."

Investor Survey

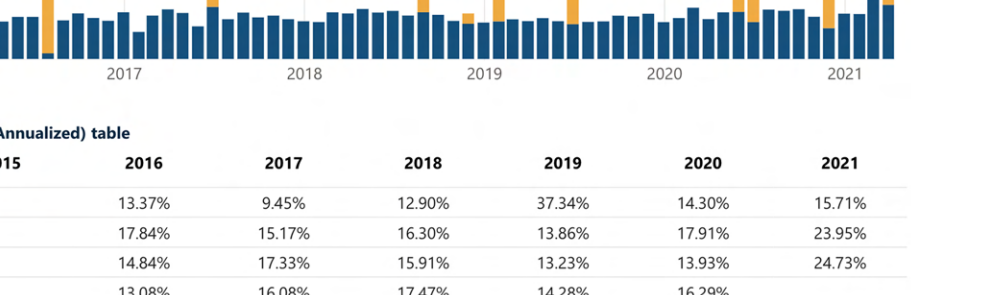
We are extremely grateful for our investor partners who have chosen to be part of this journey with us. Put very simply, we would not be where we are today without you. During the first quarter of 2021, the Fund surpassed \$250MM in assets under management with quality assets in strong growing markets throughout the West. We are in this for the long-term and we are just getting started. Thank you for your partnership.

Sincerely,

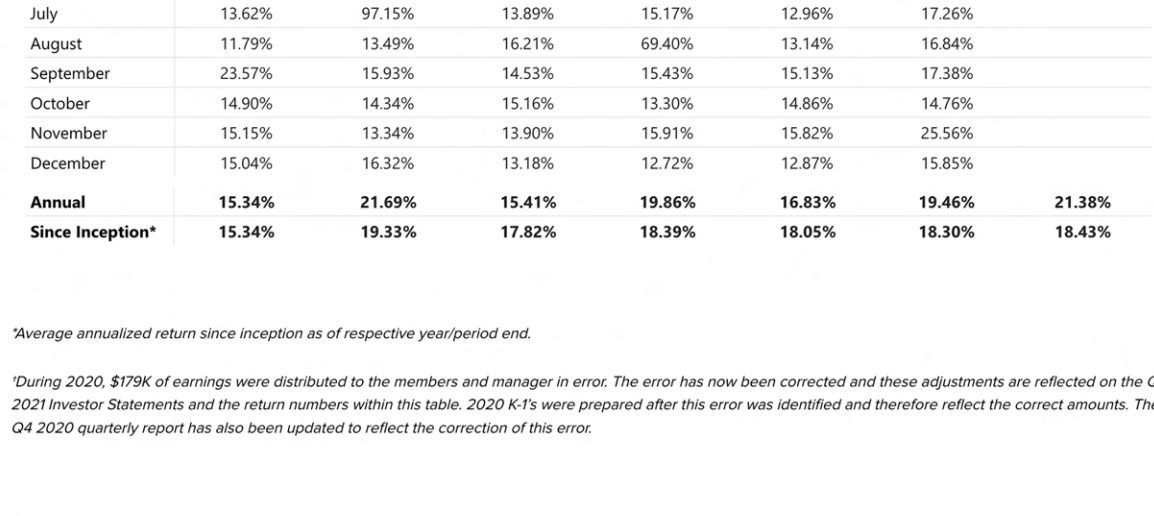

Travis Barney, Chief Credit Officer
 Alturas Capital Partners, LLC


Blake Hansen, Chief Investment Officer
 Alturas Capital Partners, LLC

Key Numbers



Realized Return

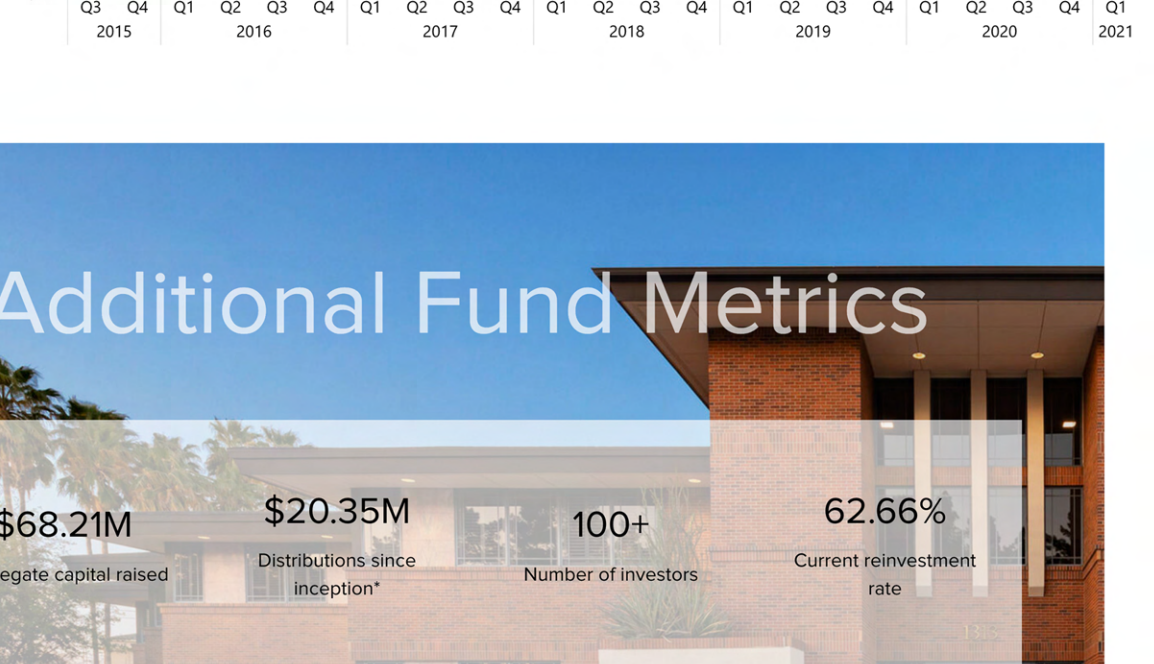


Month	2015	2016	2017	2018	2019	2020	2021
January	13.37%	13.37%	9.45%	12.90%	37.34%	14.30%	15.71%
February	17.84%	15.17%	16.30%	16.30%	13.86%	17.91%	23.95%
March	14.84%	17.33%	15.91%	13.23%	13.93%	13.93%	24.73%
April	13.08%	16.08%	17.47%	14.28%	16.29%	14.28%	16.29%
May	13.64%	14.69%	11.39%	16.22%	13.20%	29.50%	13.64%
June	13.64%	14.70%	29.02%	16.81%	25.08%	34.30%	13.64%
July	13.62%	97.15%	13.89%	15.17%	12.96%	17.26%	13.62%
August	11.79%	13.49%	16.21%	69.40%	13.14%	16.84%	11.79%
September	23.57%	15.93%	14.53%	15.43%	15.13%	17.38%	23.57%
October	14.90%	14.34%	15.16%	13.30%	14.86%	14.76%	14.90%
November	15.15%	13.34%	13.90%	15.91%	15.82%	25.56%	15.15%
December	15.04%	16.32%	13.18%	12.72%	12.87%	15.85%	15.04%
Annual	15.34%	21.69%	15.41%	19.86%	16.83%	19.46%	21.38%
Since Inception*	15.34%	19.33%	17.82%	18.39%	18.05%	18.30%	18.43%

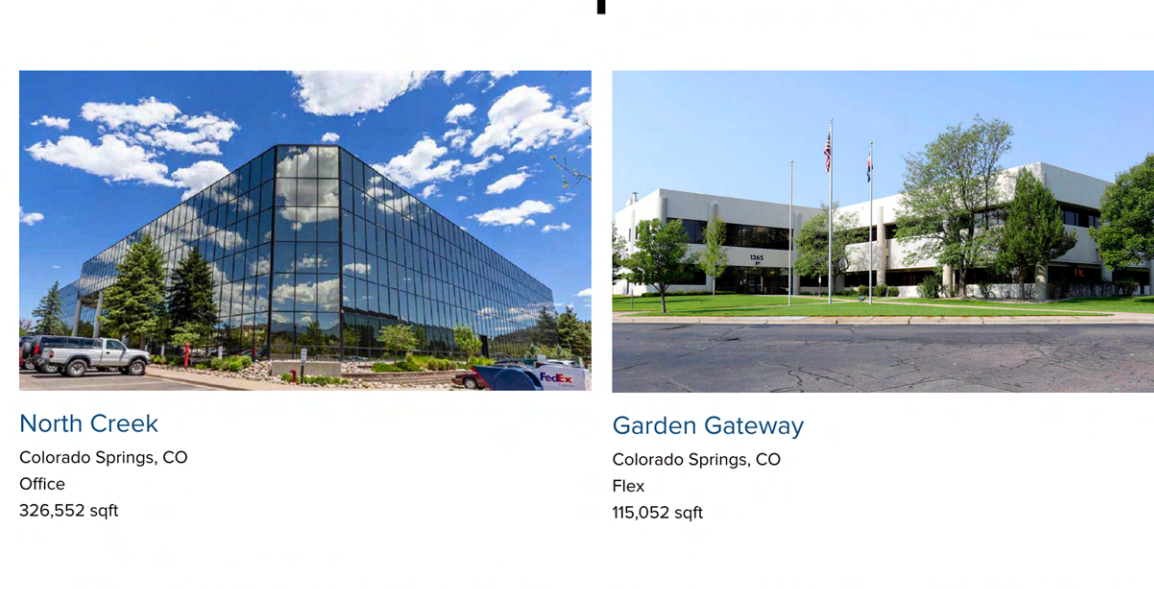
*Average annualized return since inception as of respective year/period end.

"During 2020, \$179K of earnings were distributed to the members and manager in error. The error has now been corrected and these adjustments are reflected on the Q1 2021 Investor Statements and the return numbers within this table. 2020 K-1's were prepared after this error was identified and therefore reflect the correct amounts. The Q4 2020 quarterly report has also been updated to reflect the correction of this error."

Unit Price (Since Inception)

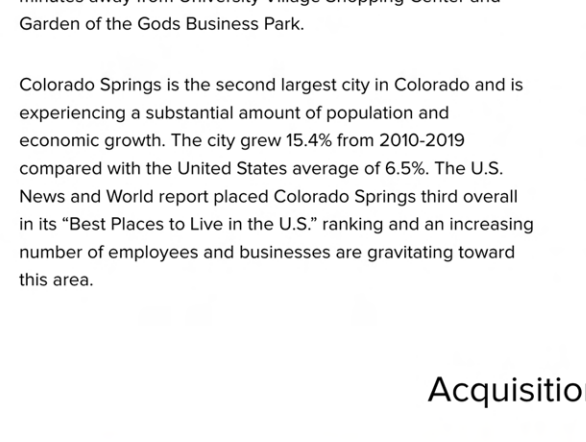


Additional Fund Metrics



*Distributions since inception includes Q1-2021 distributions paid on 4/30/2021.

New Acquisitions



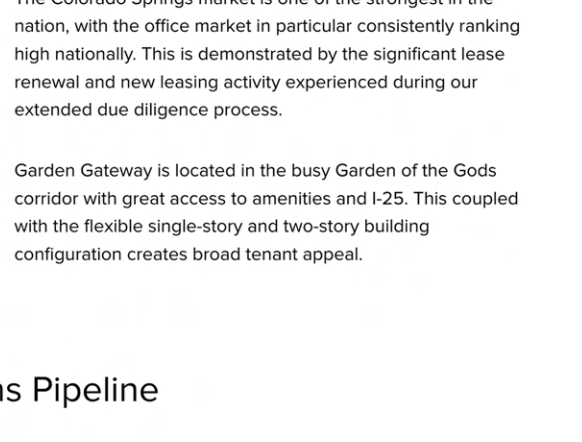
North Creek
 Colorado Springs, CO
 Office
 326,552 sqft

In January the Fund added the North Creek Office Complex to the portfolio. This three-building office complex is 326,552 total square feet and is currently 86% leased. It is located on 16.61 acres of land at 5725, 5755, 5775 Mark Dabbling Boulevard in Colorado Springs, CO.

We were able to acquire the property from a motivated seller at an attractive price and yield due to current market dynamics. Our proven track record with an experienced team and partners helped ensure we won the deal.

North Creek is located adjacent to Interstate 25 and the South Rockrimmon Boulevard Interchange. This location allows the property to be both accessible and visible, with over 115,000 cars passing by the property each day. North Creek is also minutes away from University Village Shopping Center and Garden of the Gods Business Park.

Colorado Springs is the second largest city in Colorado and is experiencing a substantial amount of population and economic growth. The city grew 15.4% from 2010-2019 compared with the United States average of 6.5%. The U.S. News and World Report placed Colorado Springs third overall in its "Best Places to Live in the U.S." ranking and an increasing number of employees and businesses are gravitating toward this area.



Garden Gateway
 Colorado Springs, CO
 Flex
 115,052 sqft

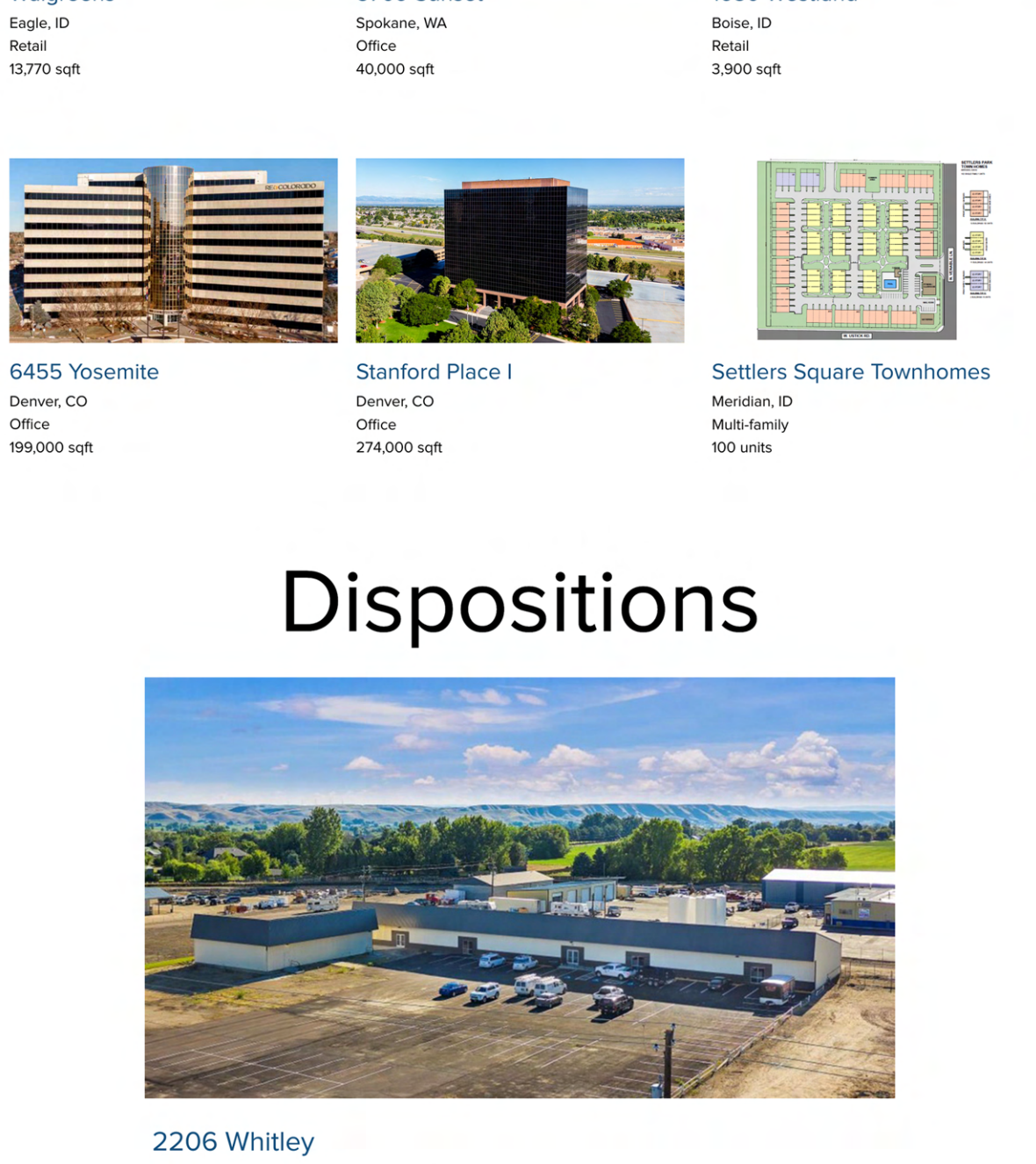
In February the Fund acquired Garden Gateway Plaza located at 1355, 1357, and 1365 W Garden of the Gods Road in Colorado Springs, CO. This acquisition was a long journey. Initially the project was placed on hold due to the fallout from the pandemic; however, we were eventually able to complete the transaction at effectively the same price, even after the project experienced significant leasing activity.

The complex consists of two single-story flex industrial/office buildings and one two-story office building. These buildings together total 115,052 square feet situated on 11.91 acres of land and are currently 76% occupied. An additional lease was signed during escrow that will bring occupancy up to 92% once the tenant improvements are complete.

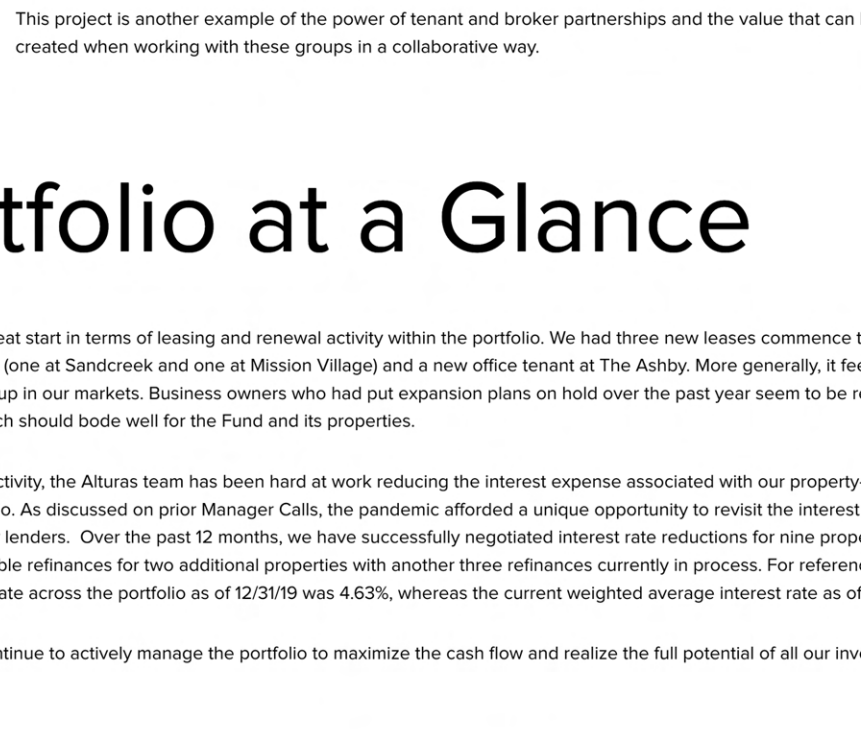
The Colorado Springs market is one of the strongest in the nation, with the office market in particular consistently ranking high nationally. This is demonstrated by the significant lease renewal and new leasing activity experienced during our extended due diligence process.

Garden Gateway is located in the busy Garden of the Gods corridor with great access to amenities and I-25. This coupled with the flexible single-story and two-story building configuration creates broad tenant appeal.

Acquisitions Pipeline



Dispositions



2206 Whitley
 Fruitland, ID | Office | 16,000 sqft

The Alturas Real Estate Fund successfully took another asset full-cycle with the disposition of 2206 Whitley, an office building located in Fruitland, ID. We originally purchased the building vacant, which was formerly a furniture outlet, in August of 2019 with a tenant-in-flow. We significantly renovated the structure to fit the needs of our tenant. Construction of those extensive building improvements was completed in late winter of 2019 and the tenant took occupancy on January 1, 2020. The property was sold to an out-of-market 1031 exchange buyer on March 4, 2021.

This project is another example of the power of tenant and broker partnerships and the value that can be created when working with these groups in a collaborative way.

Portfolio at a Glance

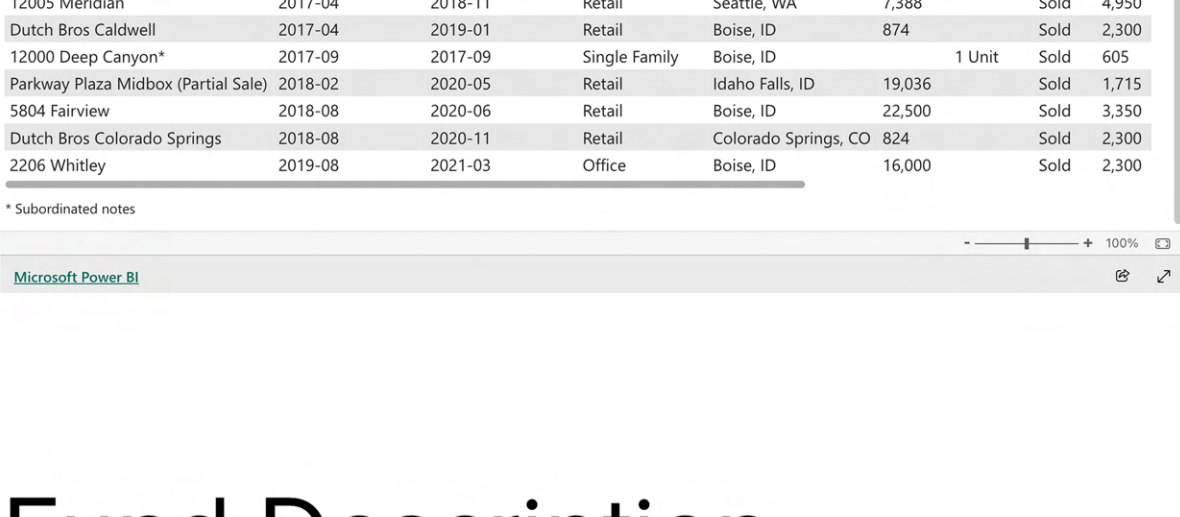
2021 is off to a great start in terms of leasing and renewal activity within the portfolio. We had three new leases commence this quarter: two new retail tenants (one at Sandcreek and one at Mission Village) and a new office tenant at The Ashby. More generally, it feels like leasing activity is picking up in our markets. Business owners who had put expansion plans on hold over the past year seem to be reentering the market. All of which should bode well for the Fund and its properties.

Beyond leasing activity, the Alturas team has been hard at work reducing the interest expense associated with our property-level bank debt across the portfolio. As discussed on prior Manager Calls, the pandemic afforded a unique opportunity to revisit the interest rates on several of our loans with our lenders. Over the past 12 months, we have successfully negotiated interest rate reductions for nine properties and completed favorable refinances for two additional properties with another three refinances currently in process. For reference: the weighted average interest rate across the portfolio as of 12/31/19 was 4.63%, whereas the current weighted average interest rate as of 3/31/21 is 3.81%.

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



Investment	Date of Acquisition	Date of Disposition	Property Type	MSA	Size (SF)	# of Units	Status	Occupancy	Co
Alturas Homes*	2015-06		Single Family	Boise, ID		43 Units	In Progress	93%	1.5
Eagle Marketplace	2015-09		Retail	Boise, ID	60,024		Stabilized	100%	5.6
110 Main	2015-10		Office	Boise, ID	6,420		Stabilized	100%	1.5
Westpark	2016-02		Industrial	Boise, ID	117,510		Stabilized	100%	6.5
Mission Village	2016-09		Retail	Wenatchee, WA	32,950		Lease-up	83%	5.1
1444 Entertainment	2016-12		Office	Boise, ID	78,572		Stabilized	100%	1.3
Sieta Square I	2017-06		Office	Phoenix, AZ	57,933		Stabilized	100%	2.5
Adelmann Building	2017-07		Retail	Boise, ID	15,436		Stabilized	100%	8.2
1550 Tech Lane	2017-08		Flex	Boise, ID	105,438		Lease-up	73%	1.3
Parkway Plaza	2018-02		Retail	Idaho Falls, ID	56,264		Stabilized	80%	3.4
The Ashby on Osborn	2018-03		Office	Phoenix, AZ	89,167		Lease-up	73%	1.3
Cottonwood Plaza	2018-09		Office	Boise, ID	43,142		Stabilized	100%	4.7
Eagle Island	2018-10		Retail	Boise, ID	10,204		Stabilized	100%	3.1
Sieta Square II	2018-12		Office	Phoenix, AZ	53,936		Stabilized	93%	6.2
Shops at Decker Lake	2019-03		Retail	Salt Lake City, UT	52,387		Lease-up	89%	7.5
4200 Hawthorne	2019-04		Office	Pocatello, ID	78,225		Stabilized	100%	1.1
7733 Emerald	2019-04		Office	Boise, ID	4,424		Stabilized	100%	5.6
The Presidio	2019-07		Office	Colorado Springs, CO	81,222		Stabilized	97%	1.3
Sandcreek Plaza	2019-08		Retail	Idaho Falls, ID	35,903		Stabilized	100%	3.5
Idaho Natural and Organic Foods (INAOF)	2019-11		Industrial	Boise, ID	30,478		Stabilized	100%	1.4
Centennial Tech	2020-02		Flex	Colorado Springs, CO	110,405		Stabilized	100%	1.5
297 Wycoff	2020-02		Industrial	Twin Falls, ID	23,000		Stabilized	100%	2.2
Shops at 38th	2020-08		Retail	Phoenix, AZ	23,021		Stabilized	100%	6.1
Airport Center	2020-12		Flex	Phoenix, AZ	94,545		Stabilized	100%	1.6
IGC	2020-12		Flex	Spokane, WA	75,786		Lease-up	71%	8.1
North Creek	2021-01		Office	Colorado Springs, CO	326,552		Lease-up	86%	4.6
Garden Gateway	2021-02		Flex	Colorado Springs, CO	115,052		Stabilized	92%	1.2

* Subordinated notes

Sold Investments



Investment	Date of Acquisition	Date of Disposition	Property Type	MSA	Size (SF)	# of Units	Status	Sold P
1124 Caldwell Blvd	2015-10	2017-06	Retail	Boise, ID	2,646		Sold	1,050
Legends Townhomes	2015-12	2016-07	Multi-family	Kansas City, MO		18 Units	Sold	2,020
Treasure 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
Dutch Bros Caldwell	2017-04	2019-01	Retail	Boise, ID	874		Sold	2,300
12000 Deep Canyon*	2017-09	2020-05	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 Fairview	2018-08	2020-11	Retail	Boise, ID	22,500		Sold	3,350
Dutch Bros Colorado Springs	2018-08	2020-06	Retail	Colorado Springs, CO	824		Sold	2,300
2206 Whitley	2019-08	2021-03	Office	Boise, ID	16,000		Sold	2,300

* Subordinated notes

[Learn More About the Fund](#)