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# QUARTERLY REPORT

## 4th Quarter 2023

### Dear Investors,

It was an eventful and successful fourth quarter for the Alturas Real Estate Fund. Total returns were 13.77% and realized returns were 12.98%. Realized returns were moderately impacted by the sale of three small assets. Absent those sales, realized returns from operations were 18.4%. Returns were also positively impacted by year-end tenant expense reconciliations and Fund-level accrual true ups.

We were able to add two high-quality assets to the portfolio this quarter. White Mountain in Rock Springs, WY, is a regional retail center with a diverse mix of national tenants. Sandy Commerce Park is a Class A office building in a dynamic submarket of Salt Lake City. We are excited about the new additions, and they will be accretive to both near-term and long-term returns. For more information on these acquisitions, please refer to [last quarter's call](#); we discuss them in further detail in this report as well.

These acquisitions were due in part to current market conditions, and we see more opportunities on the horizon to acquire quality assets with good long-term cash flow potential at attractive prices. Our focus remains on making the right, long-term decisions for the Fund and you, our partners. We are in the final stages of due diligence on one project and one of two finalists for another larger potential retail acquisition, both projects representing significant growth and diversity to the Fund. For more details, please visit the acquisition pipeline section below.

These projects will result in additional capital raising opportunities in the coming weeks and months. If you are interested in participating in these upcoming opportunities, we invite you to complete our investment offering survey or contact our investor relations team.

We look forward to discussing these items in more detail during our manager call on February 14th and as always, encourage you to watch the call. We are making a few changes to the call this quarter to make the experience more consistent for everyone regardless of when or how you consume the call.

As always, we very much appreciated your support and partnership. Thank you!

*T. By* *J. M. G.* *B. H.*

Tyler Ranney, Chief Executive Officer  
Alturas Capital Partners, LLC

Devin Moran, Chief Operating Officer  
Alturas Capital Partners, LLC

Brian Hansen, Chief Investment Officer  
Alturas Capital Partners, LLC

### Long-Term Note Offering

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

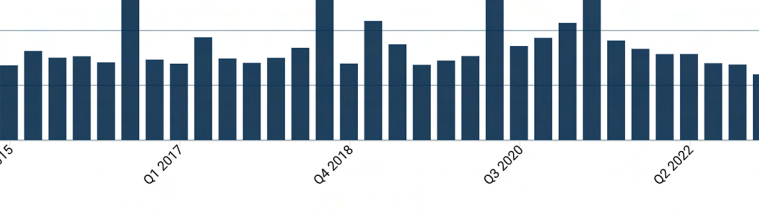
Learn More

### Equity Offering

Click the button to learn more about our equity offering.

Learn More

## Key Numbers



\*Standard returns are average annualized investor returns. Individual investor returns may vary based on the unit pricing at the time of investment. Dividends and other income includes realized gains and losses and excludes credited gains and losses recorded during the period. Financial information herein relates to the quarter ended in 2023 and is unaudited as of the date of this report.

Photo: Wasatch Mountains, UT

## 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%	12.53%
Since Inception*	15.34%	19.33%	17.82%	18.39%	18.05%	18.30%	19.77%	18.19%	17.53%

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

## Unit Price



Quarter	2015	2016	2017	2018	2019	2020	2021	2022	2023
Q1	\$1,088.86	\$1,280.86	\$1,388.41	\$1,394.00	\$1,472.61	\$1,472.61	\$1,553.67	\$1,616.47	\$1,660.49
Q2	\$1,000.00	\$1,274.41	\$1,299.39	\$1,389.45	\$1,425.74	\$1,495.09	\$1,548.83	\$1,635.09	\$1,661.54
Q3	\$1,000.00	\$1,218.00	\$1,356.38	\$1,370.75	\$1,438.49	\$1,498.83	\$1,544.69	\$1,657.71	\$1,657.70
Q4	\$1,000.00	\$1,254.26	\$1,369.28	\$1,393.51	\$1,473.70	\$1,501.21	\$1,584.06	\$1,658.49	\$1,660.70

\*Distributions since inception includes Q4 2023 distributions paid on 1/31/2024.

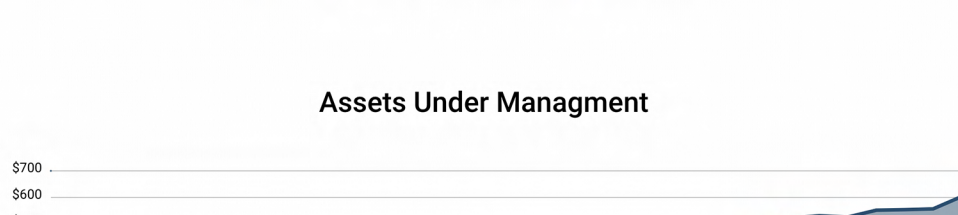
## Additional Fund Metrics



\*Distributions since inception includes Q4 2023 distributions paid on 1/31/2024.

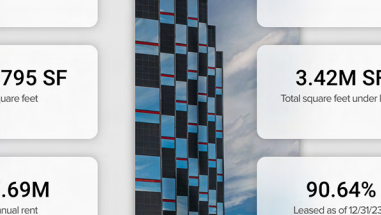
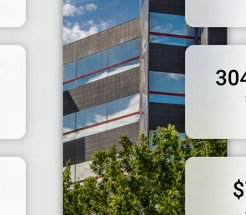
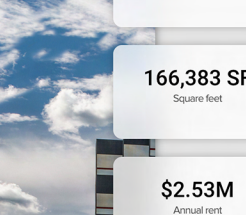
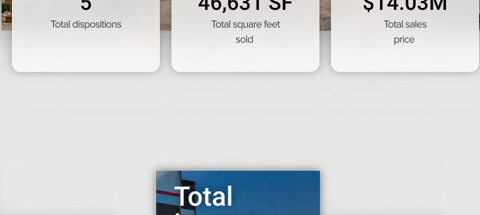
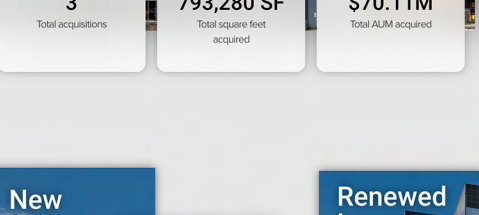
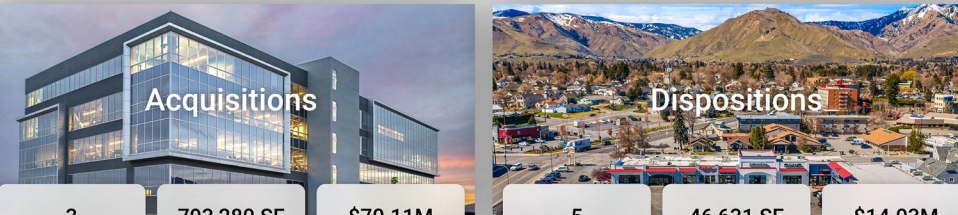
## 2023 Review

### Financial Summary



■ Revenue ■ Realized Net Income from Operations ■ Gain on Sale of Assets

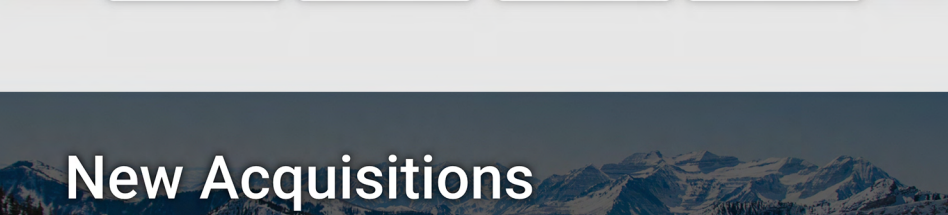
### Assets Under Management



\*Excludes in-place leases at properties acquired during 2023.

\*Percentage leased differs from portfolio occupancy rate due to leases signed where tenant has not yet taken occupancy.

## Investor Highlights



## New Acquisitions

**Sandy Commerce Park**  
Sandy, UT | Suburban Office | 1,219,977 SF

Built in 2017, Sandy Commerce Park is a 1,219,977 square foot Class A office property located in Sandy, UT. At acquisition, Sandy Commerce Park was 100% occupied with eight tenants including Momentum Loans, Colonial Life, eHub, and Connection Point.

The Fund has targeted the Salt Lake market for its robust population and job growth. Utah is the fastest growing state in this decade, has the youngest population in the United States, and has seen the greatest gain of jobs in the United States since the pandemic.

With 80% of Utah's population living within the 120-mile Wasatch Corridor, Sandy Commerce Park is centrally located within the market and directly adjacent to the I-15 interstate. This location places it within a 20-minute drive for over 40% of the population within the Salt Lake Metro.

**White Mountain**  
Rock Springs, WY | Retail | 339,233 SF

White Mountain is a 339,233 square foot retail power center located in Rock Springs, WY. At acquisition, it was 96% occupied with national credit tenants such as Ulta Beauty, TJ-Maxx, Petco, and Ross.

Situated in the southwestern region of Wyoming, the shopping center caters to over 230,000 residents within a 125-mile radius including northeastern Utah. The local economy is fueled by a burgeoning job market with large employers in various natural resource industries. The area continues to see job growth with an above-average household income of more than \$87,000. With a cost of living lower than the national average, Rock Springs residents enjoy outsized disposable incomes.

### Acquisitions Pipeline

**Treasure Valley Marketplace**  
Nampa, ID  
297,402 SF

**Teton Business Park**  
Idaho Falls, ID  
Industrial  
31,506 SF

**Axix Tower**  
Denver, CO  
Suburban Office  
228,402 SF

**Take 5**  
Multiple Locations  
Retail  
1,400 SF

### Dispositions

**110 Main**  
Boise, ID | Office | 1,642,0 SF

In December, the Fund completed the sale of 110 Main located in Boise, ID. Purchased in October 2015, we made extensive improvements and renovations that converted this historic building to commercial office space. The building was fully leased by StageOneIO and they ultimately exercised an option in their lease to purchase the building.

**Take 5**  
Ontario and Glenwood | Retail | 1,400 SF

In December, the Fund completed the sale of two Take 5 locations in the Boise area to a local 1031-exchange buyer. Both locations were developed in partnership with Seratex Holdings and had been open for roughly a year. Take 5 is a national oil change franchise owned by Driven Brands.

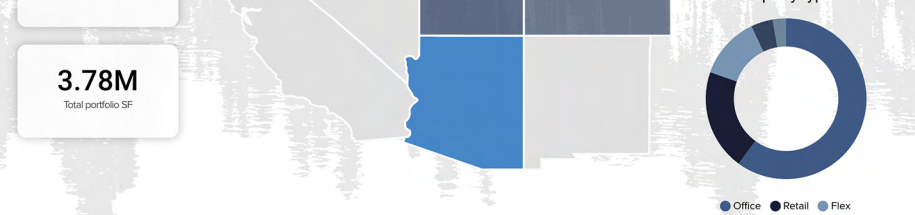
## Portfolio at a Glance

Portfolio

As highlighted in the 2023 Review section above, the Fund and its corresponding portfolio continues to grow. Interestingly, the number 600 seems to hold particular significance this quarter. Not only did the Fund cross over the \$600 million threshold in AUM this quarter but the portfolio also surpassed 600 tenants. For context, at the end of last year, that total was 443. The Alturas team takes very seriously its remit to realize the full potential of all our investments and is working diligently to keep our tenants happy and the properties well occupied. Despite uncertainty in the broader markets, our fundamental strategy of being tenant-friendly and willing to continually invest in our properties and tenants while looking for win-win outcomes will continue to be successful over the long term. There will always be challenges along the way, but if we stay true to our core investment philosophies, we can be confident that the results will follow.

Photo: Wasatch Mountains, UT

### Current Investments



## 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 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.

### Long-Term Note Offering

Interest rate	7-9% 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
Provisions	Terms dependent on duration and amount

### 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 investment performance information contained herein is for illustrative purposes only and is not intended to portray any sort of targeted or anticipated return. There can be no assurance that the Fund will achieve its investment objectives and actual performance may vary significantly relative to the Fund. Alturas Capital Partners, LLC and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice.