

LAND VALUE ALPHA FUND



FUND DESCRIPTION

Land Value Alpha Fund is dedicated to investing in what we consider the world's most inefficient asset class: Land. Our investment strategy focuses on acquiring undervalued land in tertiary markets (Northwest and West), conducting infrastructure development including drilling water wells, building roads, installing power, as well as creating, acquiring and monetizing water rights, capitalizing on existing natural resources, and acquiring land entitlements, for the highest and best use of the land, to generate superior (alpha) returns. The fund takes no construction or mining risk. Accredited investors only.

Buy Land → Conduct Infrastructure → Create/Acquire Water Rights → Sell Land → Generate Superior Returns

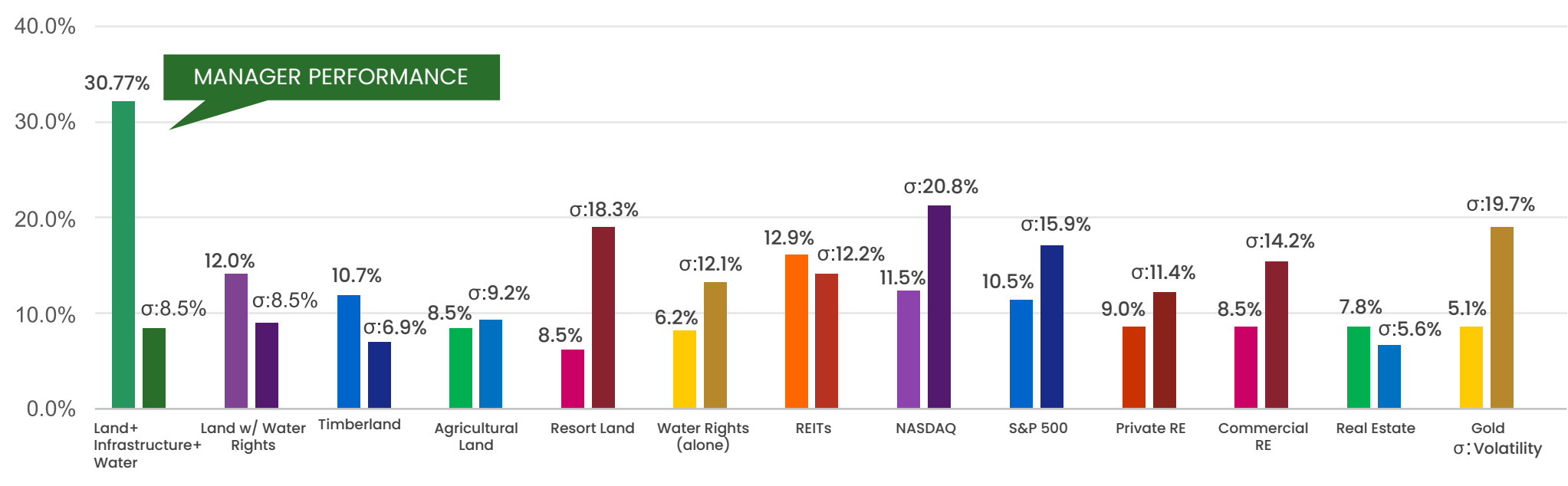
FUND STRUCTURE

Manager	Land Value Alpha Capital LLC	Minimum Investment	250000
Fund	Land Value Alpha Fund LLC	Management Fee	2.0% annually
Investment Strategy	Land + Infrastructure Dev + Water Rights	Performance Fee	Class A 20% • Class B 25%
Legal Structure	Wyoming LLC	GP Commitment	>1% of fund size
Target IRR (Net of Fees)	Class A 5% • Class B 25.5%	Unit Structure	Class A and Class B
Target Equity Multiple	Class A 5% • Class B 4.5%	Price/Unit	\$1,000
Expected Beta vs Real Estate	0.6 – 0.8	Avg Property Hold	7 or 8 years–Investor Option
Target Standard Deviation	6.7%	Lock-up Period	Class A 8 Yrs Class B 7 Yrs
Target Leverage	None at fund level*	Single Property Limit	≤10% NAV**
Target AUM (10 Yrs)	\$1 Billion	Newsletter	Monthly
Target Properties	200	Fund Reporting	Quarterly
Water Rights Exposure	Majority of land portfolio	Fund Administrator	Yes
ESG/Stewardship	Conservation-oriented	Portfolio Valuation	Semiannually
Advisory Committee	Yes	Distribution Policy	Opportunistic

INVESTMENT THESIS & VALUE DRIVERS

Value Driver	Mechanism	Return Potential
Land Appreciation	Scarcity + Development	4–5% annually
Water Rights Monetization	Sales, Leases, Usage fees	5–15% annually
Infrastructure Development	Roads, Power, Wells, Septic	50–100% on capital
Forestry/Quarrying Income	Logging, grazing leases, stone/gravel sales	2–4% annually
Regulatory Arbitrage	Entitlement acquisitions	15–25% appreciation
Demand Convergence	AI Data center / population growth	Premium pricing

MANAGER VS. ASSET CLASS PERFORMANCE – RISK-RETURN ANALYSIS



Key Insight: Manager’s land + infrastructure + water rights strategy • delivers 32.7% annualized return with superior risk-adjusted performance and generates 2.5x higher returns than the best traditional asset class. 54-year Historical Comparison (1972–2025). Key Performance Periods (in order left to right): Feb 2023–2025, 3rd party verified values, All publicly traded REITs including land & non-land sectors • Technology-heavy index w/ significant volatility periods • Biological growth • Crisis-resistant assets class that lost 40% real value in 1970s, –0.95% in 2000s • Commercial and residential property investments • Office, retail, and industrial property sectors • Gold 1974–2025

SKILLS GAP – FOUR CRITICAL SKILLS REQUIRED FOR SUCCESS; WHY COMPETITION IS MINIMAL



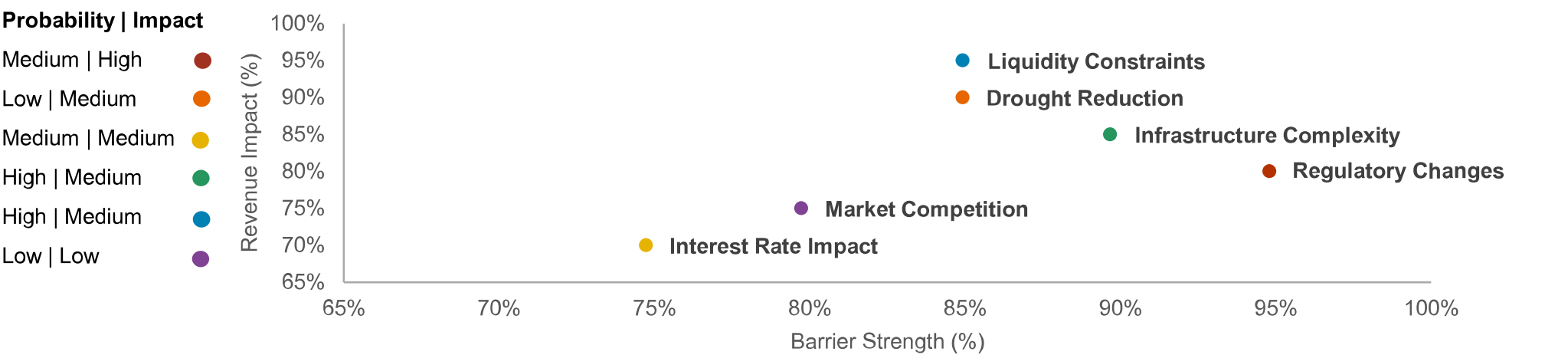
Key Insights: Land Value Alpha possess all four critical capabilities (Infrastructure Development, Water Rights Legal Framework, Financial Analysis, and Fund Operations), creating an insurmountable competitive advantage. This unique intersection of required capabilities explains why, despite attractive return potential, virtually no institutional competition exists in the land infrastructure development plus water rights creation space.

Critical Insight: "Market of One" despite thousands of practitioners in each skill area, virtually no one operates at the convergence of all four critical capabilities. People with deep infrastructure development and water rights creation expertise typically operate as small-scale regional developers, family farming operations, or local contractors and engineers .Conversely, institutional fund managers with financial sophistication typically focus on liquid securities and established asset classes, simple buy-and-hold farmland strategies without infrastructure development, creation and/or monetization of water rights, or timber investments with straightforward operational models.

COMPETITIVE INVESTMENT VEHICLE MATRIX

Player Type	Infrastructure Dev	Water Rights	Financial Analysis	Fund Operations
Land Value Alpha	STRONG	STRONG	STRONG	STRONG
Timber Investment Funds	MODERATE	MISSING	STRONG	STRONG
Institutional Fund Managers	MISSING	MISSING	STRONG	STRONG
Agricultural REITs	WEAK	WEAK	STRONG	STRONG
Regional Developers	STRONG	MODERATE	WEAK	MISSING
Family Farming Operations	MODERATE	MODERATE	WEAK	MISSING
Local Contractors/Engineers	STRONG	WEAK	MISSING	MISSING

COMPETITIVE MOAT: RISK PROBABILITY VS. BARRIER STRENGTH AND REVENUE IMPACT



Strategic Observations: This risk matrix plots six key risk categories across probability (X-axis: how likely) and impact (Y-axis: how severe), revealing a counterintuitive strategic advantage. Traditional risk analysis would flag Infrastructure Complexity and Liquidity Constraints as major concerns due to their high probability, but these operational realities actually generate our competitive moat and 15-25% return premium. The most revealing insight is that external pressures positioned in medium zones (regulatory changes, interest rates) actually strengthen rather than weaken our position, as they raise barriers higher for competitors lacking our expertise and patient capital. This isn't a high-risk investment—it's an anti-fragile business model where industry complexities transform into sustainable competitive advantages, validating premium returns through structural market positioning rather than speculation.

STRUCTURAL COMPETITIVE ADVTANAGES

ADVANTAGE	OUR EXECUTION	INVESTOR BENEFIT	PROOF POINT	COMPETITOR GAP
1. Active Value Creation	Build roads, wells, power, water rights, subdivide	20% target IRR vs 4-8% passive	MT 148.5-acre: 24-mo, no leverage	Passive: 10-13%, no value creation
2. Risk as Moat	Complexity deters institutions; we thrive	Anti-fragile: challenges = advantages	Team 15+ yr avg; proprietary systems	No construction/leverage risk
3. Market of One	Only fund: infra + water + finance + ops	Exclusive uncontested market access	Contractors lack fund mgmt	Decade to replicate
4. 270-Pt Due Diligence	100+ yr title, minerals, water, LiDAR	Day-one equity; margin of safety	MT: boundary & access gains pre-close	Find what reports miss
5. Operational Expertise	25+ yrs: roads, wells, power, demolition	Operational alpha, not market dependent	40% grade roads; 1,500 ft wells	Boots on ground required
6. Water Rights Mastery	Priority dates, adjudication, exempt wells	Sale, lease, or use fee monetization	35 GPM exempt; 60% MT basin alerts	10/11 funds own stocks, not rights
7. Tertiary Market Access	15+ yrs MT/ID/WA relationships	Alpha from inefficient markets	Exclusive deal flow; bypass bidding	Lack decade-long relationships
8. Patient Capital	10-yr commitment; evergreen; reserves	Compound wealth; generational transfer	Full cycles: 3-5 yr permits; 7-12 yr mkts	REITs: quarterly; PE: 7-8 yr liquidation
9. Time Advantage	Execute infra in months vs years	Faster value creation = higher IRR	200+ projects completed on schedule	Outsiders miss seasonal windows
10. Market Validation	External data: AI demand, drought, scarcity	Secular tailwinds support appreciation	Land: zero negative 10-yr periods	Lack real-time market intelligence

The only fund combining infrastructure execution, water rights expertise, and institutional fund management in the NW tertiary markets.

DEVELOPMENT TIMELINE AND EXIT STRATEGY

Timeline / Phase	Primary Activities	Key Milestones
Year 1 / Planning & Acquisition	Due diligence, property acquisition, master plan formation	Land acquired, finalize master plan
Year 2 / Strategic Development	Highest-and-best-use analysis, method of division, entitlements processes	Entitlements applied, development plan finalized
Years 3-6 / Infrastructure Build Out	Site prep, road construction, utility installation, well completion	Roads completed, utilities installed, sites prepared, water rights
Year 7 / Sales & Marketing Preparation	Infrastructure completion, marketing materials, broker engagement	Class B EXIT TIMING , land sold, investment returns distributed for Class B shares
Years 8 / Monetization & Distribution	Land sales, transaction closing, investor distributions	Class A EXIT TIMING , land sold, investment returns distributed for Class A shares

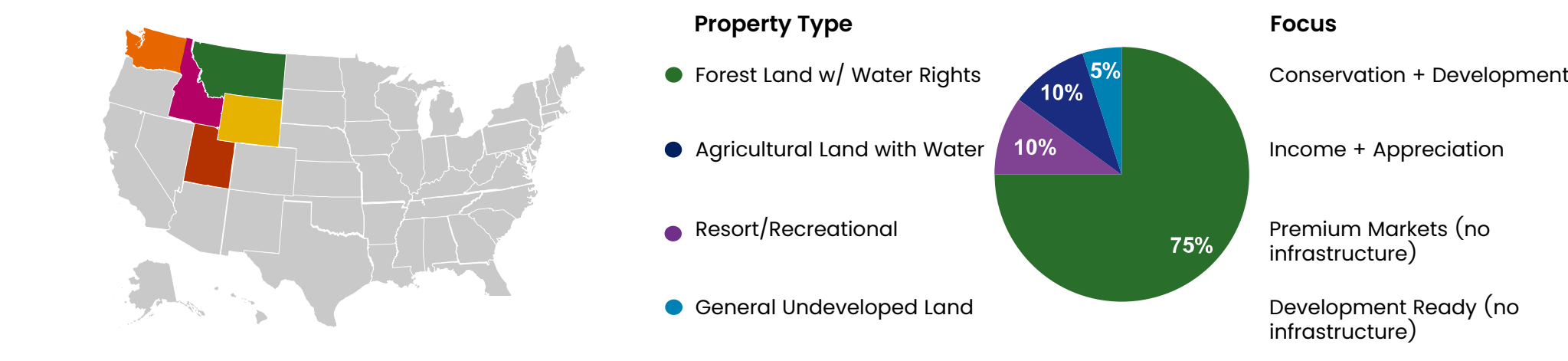
REAL ASSETS FUND COMPARISON

Fund Type	Avg. Annualized Returns (Net IRR/Total Return)	Equity Multiple (TVPI/MOIC)	Lock-Up Period	Extension Options
Land Value Alpha Fund	22.5% target net IRR	4.5 – 5.0x target	7 or 8 years	Investor's Option
Real Estate (Value-Add / Opportunistic)	9% – 11%	1.5x – 1.7x	10 – 12 years	1 – 2 years
Agriculture / Farmland	10.2%	1.4x – 1.6x	10 – 15 years	2 – 3 years
Timberland (TIMO)	10.7%	1.5x – 1.8x	12 – 18+ years	2 – 3 years
Natural Resources	11.2%	1.3x – 1.8x	10 – 12 years	1 – 2 years
Infrastructure (Value-Add)	12% – 16%+	1.5x – 2.0x	10 – 12 years	1 – 2 years

FUND TYPE: MINIMAL COMPETITION

Investment Strategy	Active Funds	AUM	Fund Sponsor
Land + Infrastructure +Water Rights Creation	1	Target: \$1 Billion	Land Value Alpha (UNIQUE)
Timber Investment Funds	30	\$1.3B average	Lyme Timber, BTG Pactual TIG
Agricultural REITs (Public)	2	\$700M-\$1.5B	Farmland Partners, Gladstone Land
Agricultural Private Funds	24	\$183M average	Regenerative agriculture focus
Natural Resources Mutual Funds	100	Varies widely	BlackRock, Fidelity, VanEck
Water Rights Investment Funds	5	Limited data	Emerging/private structures

PORTFOLIO ALLOCATION BY GEOGRAPHY AND PROPERTY TYPE



GEOGRAPHIC LOCATION (INITIAL TARGET %)

STATE	ALLOCATION	STRATEGY
Montana	75%	Primary Market
Northwest and West	25%	Secondary Market (Idaho, Utah, Washington, Wyoming)

MONTANA STRATEGIC ADVANTAGES

Competitive Factor	Montana Ranking	Strategic Advantage
Drought Vulnerability	#2 in US	Scarcity driver
Current Drought Impact	59% of state	Immediate pressure
Water Rights Legal Framework	First in time, first in right	Superior certainty
Available Properties (2024)	47 w/ water rights	Limited supply
Institutional Competition	66% acquisition rate	Validation
2050 Drought Projection	+95% severity	Accelerating demand

DUE DILIGENCE PROCESS FOR PROPERTY ACQUISITION

Category	Process	Importance
Legal & Title	Clear title verification with no liens, encumbrances, or boundary disputes	CRITICAL
Mineral Rights	Mineral rights ownership, existing leases, and valuation assessment	HIGH VALUE
Water Rights	Water rights conveyance, allocation limits, and quality verification	HIGH VALUE
Survey & Boundaries	Professional ALTA/NSPS survey w/ acreage verification and flood zone check	CRITICAL
Environmental	Phase I ESA for contamination and endangered species habitat screening	CRITICAL
Zoning & Use	Current zoning verification, permitted uses, and development restrictions	CRITICAL
Financial & Tax	Property tax assessment, special district obligations, and insurance costs	HIGH
Professional Review	Real estate attorney and CPA review of all documents and tax implications	CRITICAL

AFTER-TAX ECONOMICS FOR INVESTORS: IRC § 168 DEPRECIATION & § 1031 EXCHANGES

Tax Mechanism	IRC Authority	Key Terms / How It Works
Accelerated Cost Recovery on Infrastructure	IRC § 168 — MACRS	Infrastructure recovers over 15 years (150% declining balance) — not the 27.5 or 39 years that apply to buildings • Roads, switchbacks, grading & drainage • Wells, cisterns, pump stations & septic • Power trenching, conduit & distribution • Propane tanks, vapor lines & site utilities
Bonus Depreciation	IRC § 168(k) — First-Year Bonus Depreciation	Qualifying property (recovery period ≤ 20 years) is eligible for immediate first-year writeoff. 2024: 60% • 2025: 40% • 2026: 20%
Like-Kind Exchange Deferral	IRC § 1031 — Deferral of Gain on Real Property Sales	Properly structured § 1031 exchanges defer federal capital gains tax on proceeds reinvested into replacement real property of like kind. • Land-for-land qualifies broadly • 45-day identification / 180-day close • Qualified Intermediary structure required
Supporting Tax Mechanics	§ 453 • Cost Seg • § 1231 Character	Cost Segregation Studies: Reclassifies 20–40% of project cost into shorter recovery classes. § 453 Installment Sales: Spreads gain recognition across multiple tax years. § 1231 Property Character: Long-term capital gains treatment on qualifying exits.

Important : *Illustrative only; not tax advice. Outcomes depend on each investor's facts, property characterization (investment vs. development), and applicable law. Consult your own tax advisor. See PPM Tax Considerations section for full disclosures.*

STRUCTURAL, TAX & LEGAL ADVANTAGES

Advantage Type	Advantage Type	Model Limitations	Land Value Alpha Superiority
Institutional Tax Optimization	Complex trust/LLC structures	Ad-hoc, reactive tax planning	Systematic pre-acquisition tax structuring for every deal
Scale-Driven Efficiency	Individual property LLCs	High overhead, duplicated costs	Centralized structure reduces tax compliance costs by 60%
Operational Loss Harvesting	Limited operational involvement	Miss development-phase deductions	Active development captures maximum tax benefits during infrastructure build
Institutional 1031 Exchange Network	Broker-dependent exchange options	Limited replacement property access	Professional network provides premium 1031 exchange opportunities
Carried Interest Structure	All gains taxed at capital rates	Personal income limitations apply	Fund investors' carried interest at favorable long-term capital gains rates

IMPORTANT DISCLOSURES, DISCLAIMERS, AND SOURCE REFERENCES

Land Value Alpha Fund LLC Is Only Available to Accredited Investors

Performance Disclaimer: The performance figures shown represent unaudited, historic results achieved by the Manager before the formation of Land Value Alpha Fund LLC and are provided strictly for illustrative purposes. The account's strategy, risk profile, fees, tax treatment, and market conditions differ from those of the Fund; consequently, the Fund may not achieve similar returns. Past performance is not a guarantee of future results, and all investments involve the risk of loss of principal. **Investment Risks:** This offering involves substantial risks and is suitable only for sophisticated investors. Securities have not been registered under federal or state securities laws. No public market exists for fund interests, which are subject to significant transfer restrictions. **Source Attribution:** Information compiled from Land Value Alpha Fund LLC PPM v1.7, Manager's proprietary research, and publicly available sources. Market data should be independently verified through original governmental and institutional sources. Montana Land w/infrastructure & Water Rights performance period: Feb 2023 – Oct 2025. Property values verified by third-party land broker opinion of value. * –Short-term property-level financing permitted during acquisition of property. ** – Exception: fund inception period. **Data Sources:**NAREIT, NASDAQ, NCREIF Timberland Index, S&P 500 Total Return Index, Private Real Estate indices. Historical data from 1971–2025 where available. ● – Correlation to Real Estate market, ● – Volatility measure. This analysis is for informational purposes only and does not constitute an offer to sell securities.

CONTACT INFORMATION

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