November 2026

# 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), installing infrastructure (water wells, roads and power) through a separate general contractor, creating, acquiring and monetizing water rights, capitalizing on existing natural resources, and securing permits and water-right filings, to generate superior (alpha) returns. Each property is held for investment in its own LLC, wholly owned by the Fund. The fund takes no vertical construction or mining risk. Accredited investors only.

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

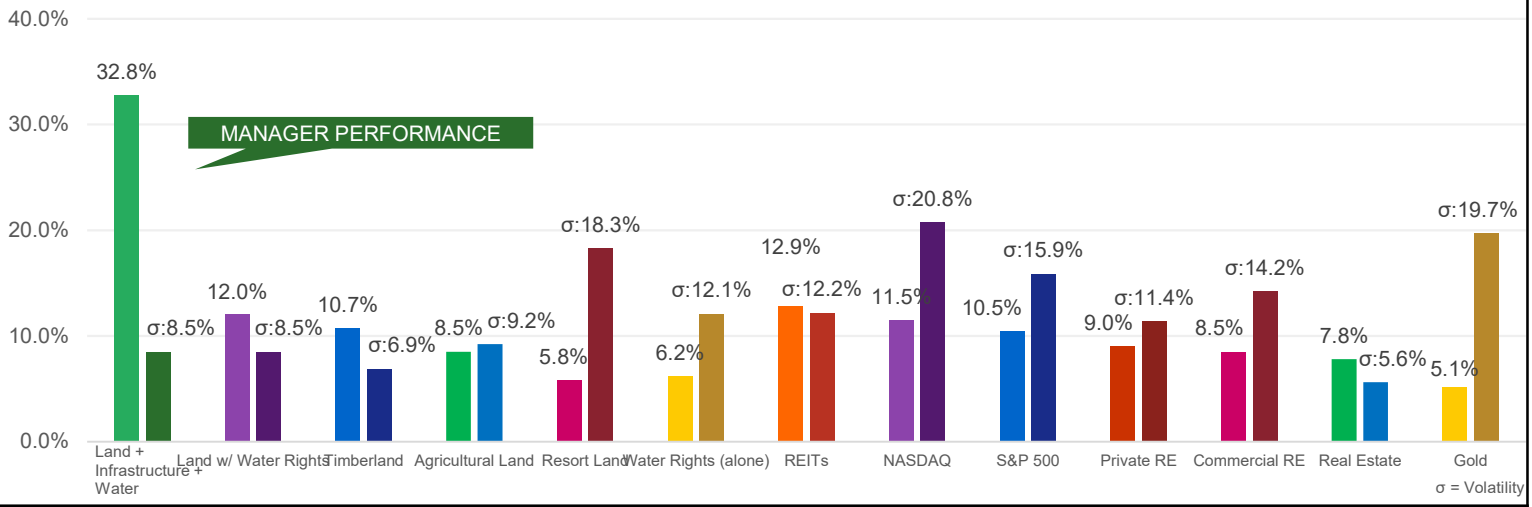
## FUND STRUCTURE

| | | | |
|---|---|---|---|
| **Manager** | **Land Value Alpha Capital LLC** | **Management Fee** | 2.0% annually |
| **Fund** | Land Value Alpha Fund LLC | **Carried Interest** | Class A 20% ● Class B 25% |
| **Investment Strategy** | Land + Infrastructure + Water Rights | **GP Commitment** | 2% of investor capital, maintained as the Fund grows |
| **Legal Structure** | Wyoming LLC, taxed as a partnership | **Unit Structure** | Class A or Class B |
| **Target IRR (Net of Fees)** | Class A 17.4% ● Class B 18.0% | **Price/Unit** | $1,000 |
| **Target Equity Multiple (Net)** | Class A 3.60X ● Class B 2.28X | **Avg Property Hold** | 5-8 years |
| **Target Leverage** | None expected at fund level* | **Lock-up Period** | Class A 8 Yrs ● Class B 5 Yrs |
| **Target AUM (10 Yrs)** | $1 Billion | **Single Property Limit** | ≤10% NAV** |
| **Target Properties** | 200 | **Newsletter** | Monthly |
| **Water Rights Exposure** | Majority of land portfolio | **Fund Reporting** | Quarterly |
| **ESG/Stewardship** | Conservation-oriented | **Fund Administrator** | Independent |
| **Advisory Committee** | Yes | **Portfolio Valuation** | NAV Semiannually |
| **Minimum Investment** | $250,000 | **Distribution Policy** | At Manager's discretion |
| **Property Ownership** | Each property in its own LLC, owned by the Fund | | |

## INVESTMENT THESIS & VALUE DRIVERS

| Value Driver | Mechanism | Return Potential |
|---|---|---|
| **Land Appreciation** | Scarcity + Regional growth | 4-5% annually |
| **Water Rights Monetization** | Sales, Leases, Usage fees | 15-20% annually |
| **Infrastructure** | Roads, Power, Wells, Septic, Propane Distribution | 50-100% on capital |
| **Forestry/Quarrying Income** | Logging, grazing leases, stone/gravel sales | 2-4% annually |
| **Regulatory Arbitrage** | Permits, water-right filings and division into parcels | 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 32.8% 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 2025 – Feb 2027 (24-month hold at the October 2026 estimated value), 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

**Land Value Alpha Fund, LLC, 248 1st Avenue W Unit 26, Kalispell, MT 59901, 406-441-0107, landvaluealpha.com**

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



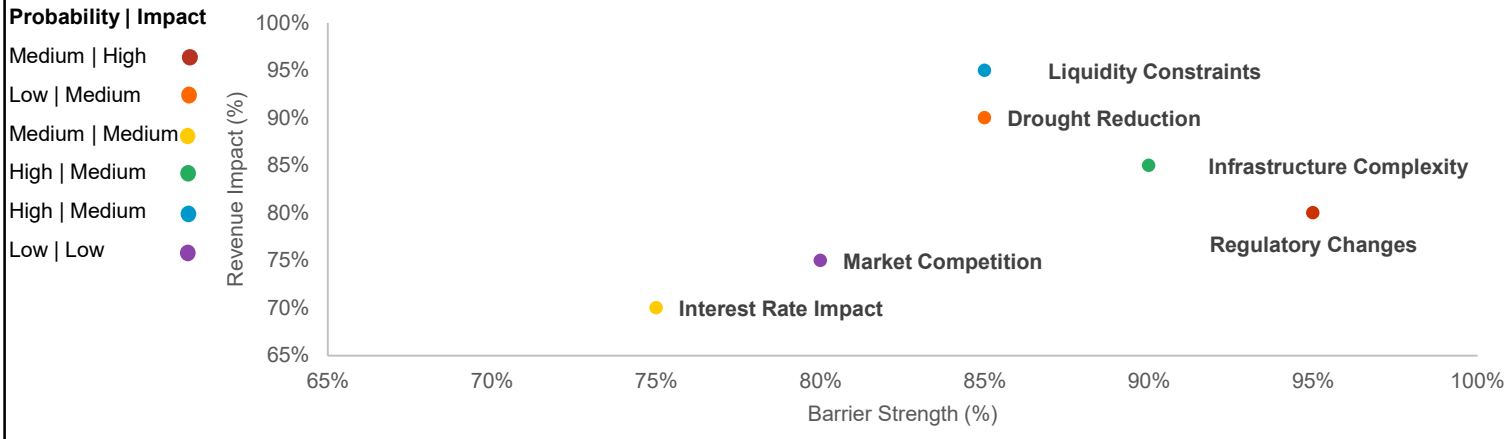

**Key Insights**: Land Value Alpha possesses all four critical capabilities (Infrastructure, Water Rights Legal Framework, Financial Analysis, and Fund Operations), creating an insurmountable competitive advantage. This unique intersection of required capabilities explains why, despite attractive return potential, virtually no institutional competition exists in the land infrastructure 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 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, creation and/or monetization of water rights, or timber investments with straightforward operational models.

## COMPETITIVE INVESTMENT VEHICLE MATRIX

| Player Type | Infrastructure | 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 ADVANTAGES

| ADVANTAGE | OUR EXECUTION | INVESTOR BENEFIT | PROOF POINT | COMPETITOR GAP |
|---|---|---|---|---|
| **1. Active Value Creation** | Roads, wells, power, water rights; division into parcels | 22.3% (A) / 24.6% (B) target gross IRR vs 4-8% passive | MT 160-acre: 24-mo, no leverage | Active value creation +10-13% additional return |
| **2. Risk as Moat** | Complexity deters institutions; we thrive | Anti-fragile: challenges = advantages | Team 15+ yr avg; proprietary systems | No vertical construction risk; no leverage expected |
| **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** | 19 yrs: roads, wells, power, demolition | Operational alpha, not market dependent | 40% grade roads; 1,700 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** | 8-yr (A) / 5-yr (B) lock-up; 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 | Target 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.**

## HOLDING TIMELINE AND EXIT STRATEGY

| Timeline / Phase | Primary Activities | Key Milestones |
|---|---|---|
| Year 1 / Acquisition | Due diligence, property acquisition, survey, water-right filings, infrastructure contract | Land acquired in its own LLC, infrastructure plan set |
| Years 1-5 / Infrastructure | Road construction, utility installation and well completion by the general contractor, starting soon after purchase; method of division | Roads completed, utilities installed, wells completed, water rights filed |
| From Year 4 / Listing | Broker engagement | Property may be listed with a broker |
| Year 5 / Class B Exit | Land sales, transaction closing, investor distributions | **CLASS B EXIT TIMING,** land sold, capital distributed to Class B Units over a 3–6 month wind-down |
| Year 8 / Class A Exit | Land sales, transaction closing, investor distributions | **CLASS A EXIT TIMING**, land sold, capital distributed to Class A Units over a 3–6 month wind-down |

*Any units not redeemed in the wind-down may be submitted for quarterly redemption, subject to gates.*

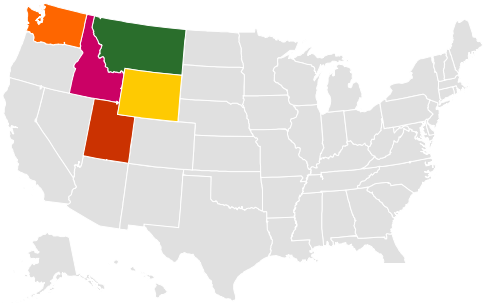
## REAL ASSETS FUND COMPARISON

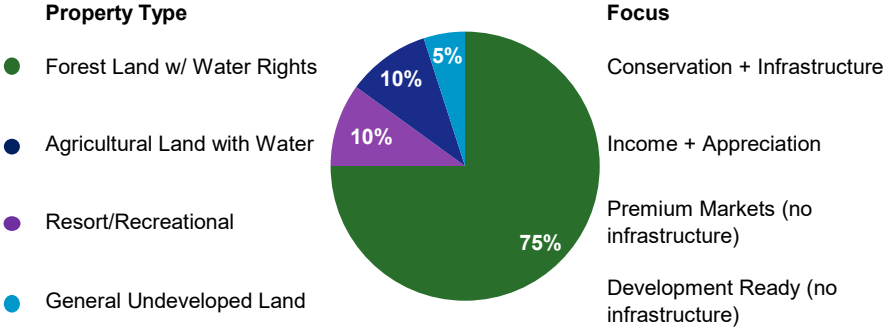
| Fund Type | Avg. Annualized Returns (Net IRR/Total Return) | Equity Multiple (TVPI/MOIC) | Lock-Up Period | Extension Options |
|---|---|---|---|---|
| **LVAF Class A** | **22.3% target gross IRR (17.4% net)** | **5.0x target** | **8 years** | **1 year (Manager's discretion)** |
| **LVAF Class B** | **24.6% target gross IRR (18.0% net)** | **3.0x target** | **5 years** | **Up to 2 years (Manager's discretion)** |
| 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 1 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: TAXED ONCE, AT THE LONG-TERM CAPITAL GAIN RATE

| Tax Mechanism | IRC Authority | Key Terms / How It Works |
|---|---|---|
| **One Level of Tax** | IRC § 701 - Partnership Taxation | The Fund is an LLC taxed as a partnership. It pays no entity-level income tax and no corporate tax; each Member reports its share of Fund gains on a Schedule K-1. |
| **Long-Term Capital Gain, Taxed Once** | IRC §§ 1221, 1(h), 1411 | Land held for investment more than one year is a capital asset. Gain is taxed in the year a property is sold or when a Member exits, at a 23.8% top federal rate (20% plus 3.8% net investment income tax), not the 40.8% top rate on ordinary income. Appreciation is not taxed while land is held; gain may appear on a Member's K-1 before cash is distributed. |
| **Depreciation: Not Sought** | IRC § 168(k)(7) - Election Out; § 168(g) | The Fund claims the least depreciation the law allows, decided each year with its CPA, and may elect out of bonus depreciation. Individual Members generally cannot deduct it when the Fund has no lease income, and any depreciation claimed is taxed at sale at up to 28.8% (40.8% on equipment). |
| **Like-Kind Exchange Deferral** | IRC § 1031 - Deferral of Gain on Real Property Sales | The Fund uses § 1031 exchanges only when they help its tax position. Gain is deferred and the proceeds stay invested for continuing Members • 45-day identification / 180-day close • Qualified Intermediary required. A Fund investment cannot be replacement property for an investor's own 1031 exchange. |
| **Installment Sales** | IRC § 453 | When a buyer pays over time, gain is taxed as payments are received, spreading it across tax years. |
| **Basis Step-Up at Death** | IRC §§ 1014, 754 | Heirs generally take Units at fair market value at death. The Fund intends to make a § 754 election to carry that step-up to the Fund's land, and reserves the right to change it. |
| **IRA Members** | IRC §§ 512(b)(5), 514 | Gains on land sales are generally excluded from unrelated business taxable income when the land carries no debt. In a Roth IRA, qualified distributions are tax-free. |
| **Lease, Timber and Gravel Income** | IRC § 61; § 512 | Expected to be rare and nominal. Any such income is taxed each year at ordinary income rates, and logging or gravel income may be taxable to IRA Members. |

***What this means.*** *The Fund's return is land appreciation, taxed once, when land is sold or a Member exits, at the long-term capital gain rate. The Fund is built to avoid yearly tax and ordinary-income rates, which is why it does not seek depreciation.*

***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 | Ownership Model | 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 |
| **Institutional 1031 Exchange Network** | Broker-dependent exchange options | Limited replacement property access | Fund-level 1031 exchanges when they help the Fund's tax position; proceeds stay invested for continuing Members. |

## IMPORTANT DISCLOSURES, DISCLAIMERS, AND SOURCE REFERENCES

**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 v1.19 (October 19, 2026), Manager's proprietary research, and publicly available sources. Market data should be independently verified through original governmental and institutional sources. Land + Infrastructure + Water Rights (Kalispell) performance: 24-month hold, February 12, 2025 – February 2027, at the October 2026 estimated value of $6.4M based on neighboring closed sales; cost to date $3,630,875; unrealized, before selling costs. The property is owned by an affiliate of the Manager, not the Fund. * - 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. This analysis is for informational purposes only and does not constitute an offer to sell securities.