



2018

First Quarter Report to Shareholders & Partners
Quarter Ended March 31, 2018

Dear Shareholders and Partners:

Greetings from your Management Team! We are reporting strong first quarter financial results for your REIT. In the first quarter, senior housing and the other triple net assets performed as expected. We are slightly behind budget on our North Dakota multi-family assets. Management has focused its efforts in this area, and has recently seen an increase in occupancy in the Grand Forks and Bismarck/Mandan markets. We fully expect continued improvement in our multi-family financial performance in the remaining three quarters of 2018.

We previously reported on the Missouri Valley transaction, which was effective January 1, 2018. In addition to the Missouri Valley acquisition, in the first quarter, we acquired a 106-unit multi-family property located in Springfield, Missouri. We continue to seek quality senior housing, multi-family and medical office buildings that satisfy our acquisition parameters. Our focus in the non-multi-family sector is on single tenant triple net assets with long-term leases. As it pertains to multi-family assets, we are seeking stabilized properties

providing an upfront yield, which results in an increase in our earnings-per-share.

Based on our 2018 year-to-date financial performance, and forecast, the Board of Trustees increased the annual dividend per share from \$.95 to \$1.00. This increase will be effective commencing third quarter (July 1, 2018), which will be reflected in the October 15 dividend payment. In addition, the Board of Trustees terminated the \$19.00 share offering and commencing approximately May 1, authorized a new offering at \$20.00 per share.

Finally, we would like to remind you of our upcoming annual meeting, which is scheduled for June 6th at our Mandan, North Dakota, Edgewood Senior Housing facility. By separate mailing, you will receive a 2017 Annual Report and additional information concerning our June 6th annual meeting.

As always, if you have any questions, please reach out to a member of your Management Team.

“BUILDING OUR FUTURE”

Income Statement Data

	<u>First Quarter 2018</u>
Revenues	\$ 20,289,741
Net Income	\$ 3,782,472
Modified Funds from Operations (MFFO)	\$ 8,886,457

Balance Sheet Data

	<u>First Quarter 2018</u>
Current Assets	\$ 44,339,882
Current Liabilities	\$ 23,083,831
Total Real Estate Investments	\$ 792,744,133
Total Assets	\$ 837,084,015
Long Term Liabilities	\$ 523,828,516
Shareholder Equity	\$ 290,171,668

Per Share Data

	<u>First Quarter 2018</u>
Shares/Partnership Units	21,386,896
Net Income	\$.1769
Modified Funds From Operations (MFFO)	\$.4155

Weighted Shares Outstanding

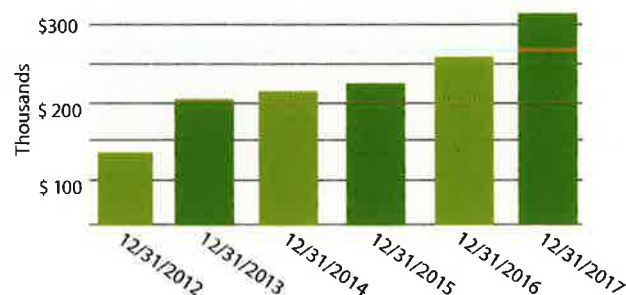
	<u>First Quarter 2018</u>
Weighted Shares Outstanding	21,309,435
Net Income - Weighted Share	\$.1775
MFFO - Weighted Share	\$.4170
Dividends Per Share	\$.2375
Total Dividends Paid	\$4,502,672

Dividend Coverage

	<u>First Quarter 2018</u>
MFFO/Total Dividends Paid	197.36%

Investment Performance

Calculations for the Investment Earnings Chart are based on an initial investment of \$100,000 with all quarterly dividends reinvested. An investment of \$100,000 on January 1, 2011 (inception) would be worth \$304,146 as of March 31, 2018.



Dividend Declaration

The Board of Trustees declared a dividend of 23.75 cents per share to shareholders and partners of record as of March 31, payable on April 15, 2018. This constitutes the 29th consecutive quarterly dividend paid to our shareholders and partners, for an annual dividend yield of 5.00%.

Dividend Reinvestment

Our Dividend Reinvestment Plan allows for the purchase of additional shares at a 5% discount from the current share price to those shareholders and partners who elect to participate in the Plan. The Plan allows flexible reinvestment options. If you are not currently participating in the Plan and would like to do so, please contact your investment representative or the Edgewood REIT office.

Edgewood REIT Shares

Edgewood REIT's \$19.00 private placement offering has expired. At the March 2018 meeting, the Trustees approved a new private placement offering at \$20.00 per share to commence on or about May 1, 2018. If you are interested in purchasing additional shares please contact your investment representative or Kari Oppedard at 701.757.5472 for assistance.



Contact Edgewood REIT

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