



## 2018 Second Quarter Report to Shareholders & Partners Quarter Ended June 6, 2018

### Dear Shareholders and Partners:

Greetings from your Management Team! The second quarter financial results for your REIT are included with this report. At the current time, approximately 70% of our net operating income is generated from the triple net leased assets – consisting primarily of senior housing. This provides a steady source of income, which increases annually based on lease rate escalators. The balance of our net operating income is predominantly multi-family assets. Our multi-family assets continue to out-perform in the Missouri and Kansas markets, and are exceeding budget. Some softness in our Grand Forks, North Dakota, portfolio remains, but we are experiencing an improvement on a year-over-year basis. Occupancy levels are improving in the Bismarck, Mandan and Minot markets, in part due to more robust economic activities from increased oil and gas prices. Overall, we are satisfied with the performance of our portfolio for the first six (6) months of 2018, and expect continued improvement in our financial metrics in the second half of 2018.

The market value of our REIT assets is approaching \$1.0 billion. As we previously stated, growth – for growth’s sake – has never been the objective; however, growth that increases our earnings per share is the goal. The future of Edgewood REIT is bright, and we anticipate closing on approximately \$100,000,000 in assets in the second half of 2018. These acquisitions have been approved by the board of trustees, subject to Management’s customary due diligence, and are quality assets. Based on our financial analysis, all of these acquisitions will generate earnings per share in excess of our current earnings-per-share. That is, they will be accretive to you as shareholders and partners of Edgewood REIT. Our goal is to increase earnings per share by 5% or greater on an annual basis. Growth in earnings per share consists of approximately \$600,000 per year from the escalators in our triple net leases, \$600,000 per year from our multi-family portfolio and \$600,000 per year from acquisitions. An increase in our earnings per share on a year-over-year basis allows us to increase our dividend payout and also results in an increase in our net asset value.

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

BUILDING OUR FUTURE

## Income Statement Data

	YTD	Second Quarter 2018
Revenues	\$41,095,607	\$20,805,866
Net Income	\$6,858,396	\$3,075,924
Modified Funds from Operations (MFFO)	\$17,701,509	\$8,815,052

## Balance Sheet Data

	June 30, 2018
Current Assets	\$44,970,600
Current Liabilities	\$24,421,422
Total Real Estate Investments	\$821,204,065
Total Assets	\$866,174,665
Long Term Liabilities	\$541,717,007
Shareholder Equity	\$300,036,236

## Per Share Data

	YTD	Second Quarter 2018
Shares/ Partnership Units	21,916,886	21,916,886
Net Income	\$ .3129	\$ .1403
Modified Funds from Operations (MFFO)	\$ .8077	\$ .4022

## Weighted Shares Outstanding

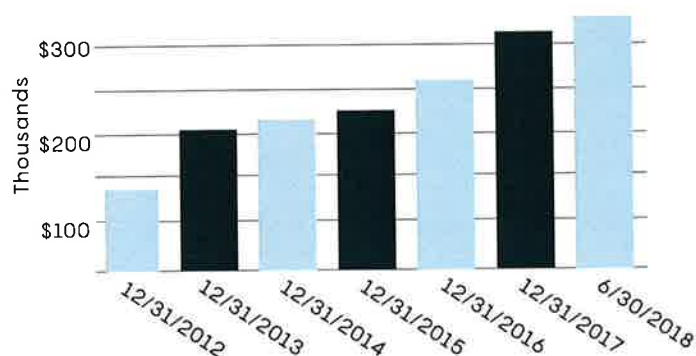
	YTD	Second Quarter 2018
Weighted Shares Outstanding	21,662,888	21,662,888
Net Income – Weighted Share	\$ .3166	\$ .1412
MFFO – Weighted Share	\$ .8171	\$ .4069
Dividends Per Share	\$ .4750	\$ .2375
Total Dividends Paid	\$9,757,390	\$4,502,672

## Dividend Coverage

	YTD
MFFO/Total Dividends Paid	181.42%

## 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 \$324,155 as of June 30, 2018.



## Dividend Declaration

The board of trustees declared a dividend of 23.75 cents per share to shareholders and partners of record as of June 30, payable on July 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 shares are available for purchase at \$20.00 per share. If you are interested in purchasing additional shares please contact your investment representative or Kari Oppegard at 701-757-5472 for assistance.

## Contact Edgewood REIT

Shareholder Services: Kari Oppegard E: kari.oppegard@edgewoodreit.com P: (701) 757-5472 W: edgewoodreit.com