



Bismarck, ND



Grand Forks, ND

2018 Third Quarter Report to Shareholders & Partners
Quarter September 30, 2018

Dear Shareholders and Partners:

Greetings from your Management Team!

This Third Quarter Report highlights our key financial metrics as of September 30, 2018. We continue to be pleased with the overall performance of our real estate holdings and look forward to a strong fourth quarter.

The recent tumult in the financial markets is a good reminder why real estate investment trusts play an important role in a diversified investment portfolio. A few of the benefits of a REIT are:

- REITs – like Edgewood REIT – produce consistent and predictable cash flow. Edgewood REIT currently pays a quarterly dividend of \$.25 per share. We have increased our dividend payout on a regular basis – typically every 12 months.
- In addition to providing steady income, the underlying real estate held by the REIT should generate long-term capital appreciation, which will be reflected by an increased share price.

- REITs are generally less volatile than most other equities and have a low correlation to the overall stock market. Accordingly, REITs provide valuable diversification benefits to an investment portfolio that can help reduce overall risk and increase returns.

As a Management Team, we are committed to providing a steady – and increasing – income stream to our investors. Currently, approximately 65% of our income is generated from triple net leased properties with most of these leases containing annual inflation lease adjustments. These assets, along with our other real estate holdings, including multi-family, are expected to generate long-term capital appreciation in our portfolio resulting in an increase in the net asset value of the REIT. Edgewood REIT also makes monthly principal payments on its long-term debt, which results in an additional \$.60 of share value per year.

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

BUILDING OUR FUTURE

Income Statement Data

	YTD	Third Quarter 2018
Revenues	\$65,408,673	\$22,655,878
Net Income	\$10,295,672	\$3,787,192
Modified Funds from Operations (MFFO)	\$27,095,235	\$9,348,842

Balance Sheet Data

	September 30, 2018
Current Assets	\$47,431,348
Current Liabilities	\$25,776,913
Total Real Estate Investments	\$852,353,385
Total Assets	\$921,533,422
Long Term Liabilities	\$572,084,668
Shareholder Equity	\$323,671,841

Per Share Data

	YTD	Third Quarter 2018
Shares/ Partnership Units	23,183,531	23,183,531
Net Income	\$.4441	\$.1633
Modified Funds from Operations (MFFO)	\$ 1.1687	\$.4033

Weighted Shares Outstanding

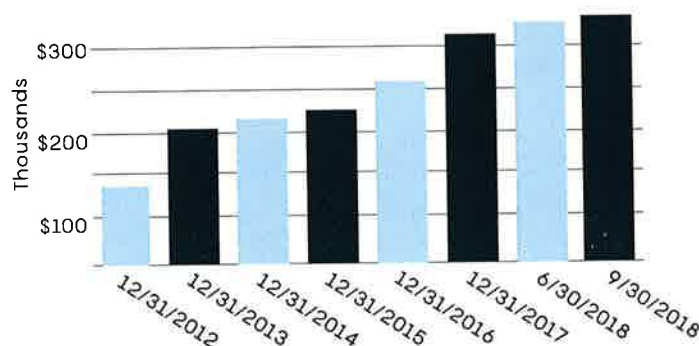
	YTD	Third Quarter 2018
Weighted Shares Outstanding	22,303,125	22,303,125
Net Income – Weighted Share	\$.4616	\$.1698
MFFO – Weighted Share	\$ 1.2149	\$.4192
Dividends Per Share	\$.725	\$.25
Total Dividends Paid	\$14,810,839	\$5,053,449

Dividend Coverage

	YTD
MFFO/Total Dividends Paid	182.94%

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 \$328,410 as of September 30, 2018.



Dividend Declaration

The board of trustees declared a dividend of 25 cents per share to shareholders and partners of record as of September 30, payable on October 15, 2018. This constitutes the 30th 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

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