


Springfield, MO



McPherson, KS

2019 Second Quarter Report to Shareholders & Partners Quarter ended June 30, 2019

Dear Shareholders and Partners:

Greetings from your Management Team!

We are pleased to report another strong financial quarter for your REIT. Our triple net leased assets are performing as expected and we are recognizing additional net operating income on a year-over-year basis resulting from the rent escalators included in the leases. In addition, our multi-family portfolio is performing well. We are currently at a 95% occupancy level and our same-store net operating income has increased 9% on a year-over-year basis.

As it pertains to earnings per share, we are also pleased to report a 7% funds from operation (“FFO”) year-over-year increase (first six months of 2019 in comparison to first six months of 2018). This financial performance supports our recent dividend and share price increase.

In the 2nd Quarter we acquired three buildings. First, we acquired a medical office building in Mesa, Arizona. This building is occupied by a single tenant with an initial term of 10 years on a triple net lease. Finally, we acquired two bank buildings in Minot, North Dakota, which are being leased back to Bremer Bank on a triple net lease basis. We also entered into an agreement to assist Bremer Bank in the

development and construction of a new bank building. Upon completion of construction, we will acquire the new bank building and lease it to Bremer on a 15-year triple net lease.

We continue to be in a very low interest rate environment which has generally increased the value of real estate. This is very favorable if you are a seller, but a little more challenging if you are a buyer of real estate. On a daily basis we review potential acquisitions which do not meet our minimum financial hurdle rates. It is important we acquire assets with a cash yield in excess of our weighted average cost of capital. Through this disciplined acquisition approach, we are able to increase our earnings per share through acquisitions.

We look forward to continued, profitable growth in the second half of the year. We have several attractive assets under contract with the expectation of closing these assets in the 3rd Quarter.

As a Management Team, we continue to focus on our financial goals and delivering value to our shareholders. As always, if you have any questions, please reach out to a member of your Management Team.

Income Statement Data

	YTD	Second Quarter 2019
Revenues	\$47,661,954	\$24,160,529
Net Income	\$9,461,822	\$4,993,033
Funds from Operations (FFO)	\$21,213,181	\$10,875,361

Balance Sheet Data

	June 30, 2019
Current Assets	\$36,175,666
Current Liabilities	\$24,758,236
Total Real Estate Investments	\$909,093,752
Total Assets	\$966,557,585
Long Term Liabilities	\$583,631,162
Shareholder Equity	\$358,168,187

Per Share Data

	YTD	Second Quarter 2019
Shares/ Partnership Units	24,985,710	24,985,710
Net Income	\$0.3787	\$0.1998
Funds from Operations (FFO)	\$0.8490	\$0.4353

Weighted Shares Outstanding

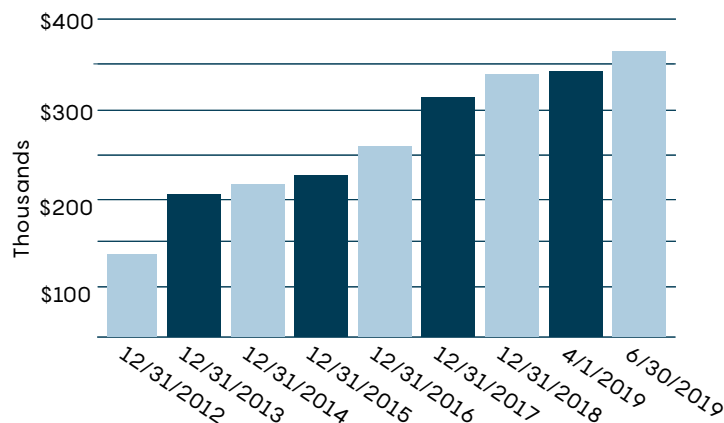
	YTD	Second Quarter 2019
Weighted Shares/ Partnership Units	24,237,541	24,237,541
Net Income – Weighted Share	\$0.3904	\$0.2060
Funds from Operations (FFO)	\$0.8752	\$0.4487
Dividends Per Share	\$0.5000	\$0.2500
Total Dividends Paid	\$12,227,496	\$6,221,192

Dividend Coverage

	YTD	Second Quarter 2019
FFO/Total Dividends Paid	173.49%	174.81%

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 \$358,412 as of June 30, 2019.



Dividend Declaration

The board of trustees declared a dividend of 25 cents per share to shareholders and partners of record as of June 30, payable on July 15, 2019. This constitutes the 33rd 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

At the March 2019 meeting, the Trustees approved a new private placement offering at \$21.00 effective May 15, 2019. If you are interested in purchasing additional shares please contact your investment representative or Kari Oppegard at 701-212-4800 for assistance.

Contact Edgewood REIT

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