



Mesa, AZ

Blaine, MN

2019 Third Quarter Report to Shareholders & Partners Quarter ended September 30, 2019

Dear Shareholders and Partners:

Greetings from your Management Team!

This Third Quarter Report highlights our key financial metrics as of September 30, 2019. We continue to be pleased with the performance of our real estate holdings and look forward to a strong Fourth Quarter.

In the Third Quarter we placed in service \$54,000,000 of assets. This consisted of 416 multi-family units located in Springfield, Missouri; a professional office building (subject to a long-term lease) located in Fargo, North Dakota and a multi-tenant medical office building located in Blaine, Minnesota.

We are excited to add additional multi-family units in the Springfield, Missouri market as we continue to experience strong occupancy numbers and the ability to increase rents in this market. In addition, the acquisition of a medical office building in Blaine, Minnesota and commencement of construction on a senior housing property in Springfield, Missouri – discussed below - will be great additions to our healthcare portfolio.

The ground-up senior housing asset in Springfield, Missouri has a budgeted cost of approximately \$20,000,000 and will consist of 131 independent

living, assisted living and memory care units. This project is a joint venture with a financially strong Springfield, Missouri based operator. Upon completion, this asset will be leased to the operator based on an absolute triple net lease which will provide us with a nice spread over weighted cost of capital. The lease will contain annual escalators of 2% per year.

The current economic backdrop is favorable for real estate investment trusts and we continue to see compression in cap rates in many of our markets. In addition, we are experiencing an increase in same store net operating income numbers. Furthermore, the recent reduction in treasury rates – particularly 10-year US Treasury rate – has presented an opportunity to refinance some of our existing debt at lower interest rates, which will have a positive impact on our earnings-per-share.

Based on a year-over-year increase in net operating income from our triple net leased assets, and strong occupancy in our multi-family portfolio, we look forward to strong financial performance in the Fourth Quarter.

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

Income Statement Data

	YTD	Third Quarter 2019
Revenues	\$72,426,644	\$24,764,690
Net Income	\$13,571,913	\$4,110,090
Funds from Operations (FFO)	\$31,973,714	\$10,760,532

Balance Sheet Data

	September 30, 2019
Current Assets	\$29,414,988
Current Liabilities	\$38,298,086
Total Real Estate Investments	\$958,430,463
Total Assets	\$1,009,348,657
Long Term Liabilities	\$599,621,655
Shareholder Equity	\$371,428,916

Per Share Data

	YTD	Third Quarter 2019
Shares/ Partnership Units	26,143,106	26,143,106
Net Income	\$0.5191	\$0.1572
Funds from Operations (FFO)	\$1.2230	\$0.4116

Weighted Shares Outstanding

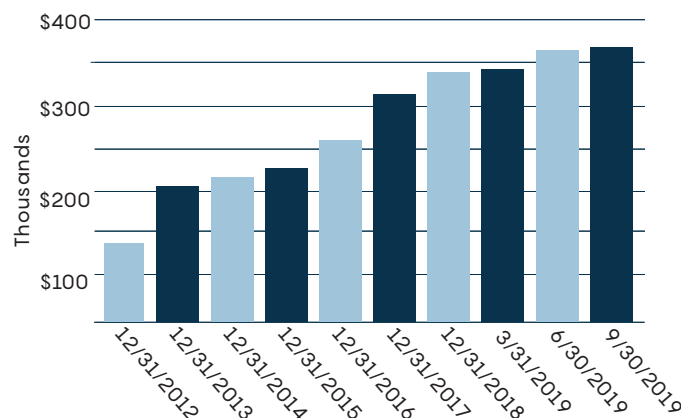
	YTD	Third Quarter 2019
Weighted Shares/ Partnership Units	24,398,218	24,398,219
Net Income – Weighted Share	\$0.5563	\$0.1685
Funds from Operations (FFO)	\$1.3105	\$0.4410
Dividends Per Share	\$0.7625	\$0.2625
Total Dividends Paid	\$18,979,016	\$6,751,520

Dividend Coverage

	YTD	Third Quarter 2019
FFO/Total Dividends Paid	168.47%	159.38%

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 \$363,128 as of September 30, 2019.



Dividend Declaration

The board of trustees declared a dividend of 26.25 cents per share to shareholders and partners of record as of September 30, payable on October 15, 2019. This constitutes the 34th 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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