


Westridge Apartments, Grand Forks



Tractor Supply Company, Dickinson

## 2019 Fourth Quarter Report to Shareholders & Partners Quarter ended December 31, 2019

### Dear Shareholders and Partners:

Greetings from your Management Team! We are pleased to report both the 4th Quarter and year-end 2019 financial results. Your REIT continues to meet the financial objectives established by the Management Team and the Board of Trustees. In 2019, we continued to experience growth in earnings-per-share (6.5% year-over-year growth in funds from operations (FFO)). Growth in earnings-per-share, in conjunction with further compression in cap rates in many of our markets, resulted in an increase in net asset value and a corresponding increase in share value. The Board of Trustees, at the March 2020 meeting, will approve the 2020 Private Placement Offering and establish the new share price. At that time, the Board of Trustees will also review and make a determination as it pertains to the 2020 dividend payout (current dividend is \$1.05 per share). We have grown the dividend by 90% - from \$.55 to \$1.05 – and share price by 121% - from \$9.50 – \$21.00 – since inception.

Edgewood REIT commenced business operations on January 1, 2011. We have now completed our 9th year and are proud of what we have accomplished. The enterprise value (liquidation value of assets) of Edgewood REIT is approaching \$1.2 billion. As

we have stated many times (although we are pleased with our growth), we will not grow for growth sake only. Instead, we will engage in profitable growth. To that end, we are pleased to report for the first 9 years of our existence a 15.57% compounded annual growth rate for our shareholders and partners. In comparison, an investment in the S&P 500 over this time period generated a 13.22% compounded annual growth rate, and an investment in the NAREIT All Equity Index generated a 10.42% compounded annual growth rate. We accomplished growth in shareholder and partner value while remaining focused on managing risk by continuing to diversify our asset base.

As we look forward to 2020, the economic backdrop continues to be very favorable for real estate companies. The United States economy remains strong with continued robust consumer spending resulting from low unemployment, and year-over-year growth in household income. In addition, we continue to experience very low interest rates and muted inflation. In 2020, we are budgeting for continued growth in our earnings-per-share based on an increase in net operating income in our multi-family portfolio, escalators in our triple net lease portfolio, and accretive acquisitions.

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

**Important Tax Information: Edgewood Shareholder 1099 tax forms will be mailed as soon as possible. Edgewood Partner K-1 tax forms are expected to be mailed in late March. Please do not file your taxes until you receive these important tax documents.**

## Income Statement Data

	YTD	Fourth Quarter 2019
Revenues	\$98,578,634	\$26,151,990
Net Income	\$17,483,197	\$3,911,284
Funds from Operations (FFO)	\$44,297,460	\$12,323,746

## Balance Sheet Data

	December 31, 2019
Current Assets	\$26,279,018
Current Liabilities	\$53,061,018
Total Real Estate Investments	\$992,199,217
Total Assets	\$1,040,376,005
Long Term Liabilities	\$588,103,493
Shareholder Equity	\$399,211,494

## Per Share Data

	YTD	Fourth Quarter 2019
Shares/ Partnership Units	27,969,404	27,969,404
Net Income	\$0.6251	\$0.1398
Funds from Operations (FFO)	\$1.5838	\$0.4406

## Weighted Shares Outstanding

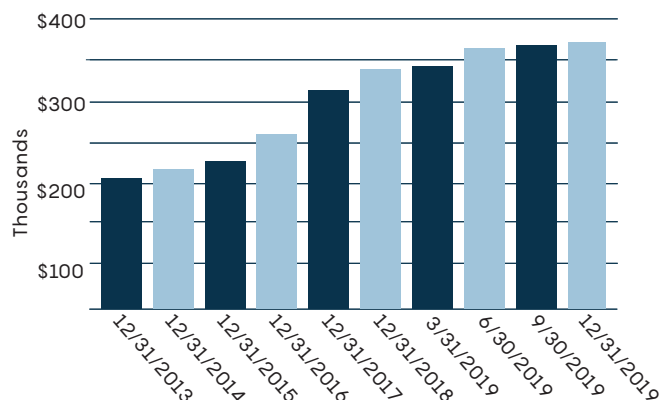
	YTD	Fourth Quarter 2019
Weighted Shares/ Partnership Units	25,016,529	26,564,813
Net Income – Weighted Share	\$0.6989	\$0.1472
Funds from Operations (FFO)	\$1.7707	\$0.4639
Dividends Per Share	\$1.0250	\$0.2625
Total Dividends Paid	\$26,106,399	\$7,127,383

## Dividend Coverage

	YTD	Fourth Quarter 2019
FFO/Total Dividends Paid	169.68%	172.91%

## 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 \$367,905.61 as of December 31, 2019.



## Dividend Declaration

The Board of Trustees declared a dividend of 26.25 cents per share to shareholders and partners of record as of December 31, payable on January 15, 2020. This constitutes the 35th consecutive quarterly dividend paid to our shareholders and partners, for an annual dividend yield of 5.00%.

## Dividend Reinvestment

Our Distribution 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 private placement offering at \$21.00. If you are interested in purchasing additional shares, please contact your investment representative, Roger Domres at 701-240-3335 or Kari Oppegard at 701-212-4800 for assistance.

### Contact Edgewood REIT

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