



92 West Apartments, West Des Moines, IA



Paramount Apartments, Minot, ND

2020 Third Quarter Report to Shareholders & Partners Quarter ended September 30, 2020

Dear Shareholders and Partners:

Greetings from your Management Team! We hope this update finds you and your family in good health.

In this newsletter, we are reporting our 3rd Quarter and year-to-date financial performance. Edgewood REIT continues to perform well financially, and we are expecting this performance to continue through the 4th Quarter. As of the date of this newsletter, we are 96% occupied in our multifamily portfolio with minimal delinquencies. Our senior housing operator/tenant is performing well in this challenging, pandemic environment, and continues to meet all its financial obligations pursuant to the leases with the REIT. All other net lease tenants are operational and covering financial obligations pursuant to their leases.

As a business enterprise, we are focused on increasing shareholder value. We remain steadfast in our goal to acquire assets which are accretive from an earnings-per-share standpoint. In addition, we look for opportunities to sell assets we consider to be non-core assets and recycle proceeds into real estate which will generate stronger long-term returns. To this end, in the 3rd Quarter, we sold our Wichita, Kansas multifamily portfolio. These assets were acquired approximately three years ago at a cost of \$37,000,000. Since we purchased these assets, we realized significant growth in our net operating

income, and a compression in cap rates, resulted in a \$13,000,000 taxable gain from the disposition of this portfolio. In the 4th Quarter, we intend to close on multifamily assets and medical office buildings with the proceeds from the Wichita disposition. After we have redeployed the Wichita proceeds into the portfolio of replacement assets, our proforma financial analysis reflects an increase in funds available for distribution ("FAD") per share of approximately \$.03 cents or an absolute FAD increase of \$900,000. In addition, the replacement assets are of a higher quality and newer than the Wichita assets.

In the 3rd Quarter, we also acquired the following assets:

1. 36-unit multifamily property in Bismarck, ND known as Terrace Pointe Apartments; and
2. 52-unit multifamily property in Minot, ND known as Paramount Apartments.

Both assets are stabilized multifamily properties and attractive additions to our Minot and Bismarck/Mandan multifamily portfolios.

We look forward to an active 4th Quarter from an acquisition standpoint, and strong financial performance as we end 2020. As always, please reach out to a member of our Management Team with any questions.

Income Statement Data

	YTD	Third Quarter 2020
Revenues	\$81,594,830	\$27,611,689
Net Income	\$22,608,023	\$12,066,682
Funds from Operations (FFO)	\$38,170,064	\$13,103,493
Funds Available for Distribution (FAD)	\$33,917,314	\$11,701,199

Balance Sheet Data

	September 30, 2020
Current Assets	\$63,523,947
Current Liabilities	\$52,149,402
Total Real Estate Investments	\$989,571,267
Total Assets	\$1,076,238,686
Long Term Liabilities	\$588,589,498
Shareholder Equity	\$435,499,786

Per Share Data

	YTD	Third Quarter 2020
Shares/ Partnership Units	30,192,548	30,192,548
Net Income	\$0.7488	\$0.3997
Funds from Operations (FFO)	\$1.2642	\$0.4340
Funds Available for Distribution (FAD)	\$1.1234	\$0.3876

Weighted Shares Outstanding

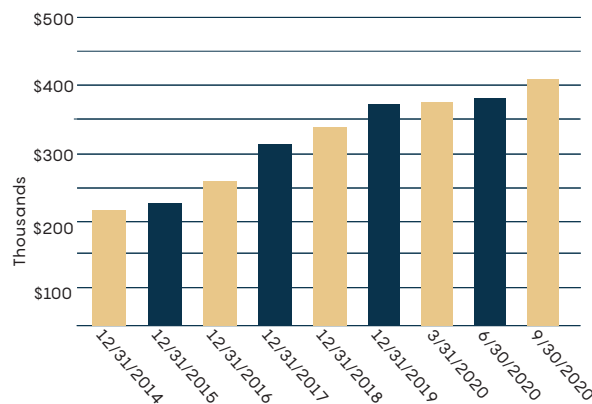
	YTD	Third Quarter 2020
Weighted Shares/ Partnership Units	29,121,266	29,700,004
Net Income – Weighted Share	\$0.7763	\$0.4063
Funds from Operations (FFO)	\$1.3107	\$0.4412
Funds Available for Distribution (FAD)	\$1.1647	\$0.3940
Dividends Per Share	\$0.7875	\$0.2625
Total Dividends Paid	\$23,011,053	\$7,842,685

Dividend Coverage

	YTD	Third Quarter 2020
FFO/Total Dividends Paid	165.88%	167.08%
FAD/Total Dividends Paid	147.40%	149.20%

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 \$400,603.50 as of September 30, 2020.



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, 2020. This constitutes the 38th 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

The Trustees approved a private placement offering at \$22.00, which will terminate on September 30, 2021. 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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