


Gateway Apartments, Minot, ND



Silvercrest Apartments, Minot, ND

2021 Second Quarter Report to Shareholders & Partners Quarter ended June 30, 2021

Dear Shareholders and Partners:

Greetings from your Management Team! We hope you are having a pleasant summer and remain in good health. At Edgewood REIT, we continue to have a busy and productive year. In this report we present the 2nd Quarter financial performance which is tracking ahead of budget reflecting a 8.7% FAD (funds available for distribution) per share increase over the same period last year.

Based on the performance of our portfolio in the first half of 2021, and our projections for the second half of the year, we are increasing our 2021 FAD guidance from \$1.67 to \$1.69 per share. This represents a \$.13 cent increase from 2020 FAD per share.

So far this year, we have acquired over \$100 million of multi-family and net lease assets. All of these acquisitions have been accretive to our key financial metrics and are quality assets which should generate strong cash flow for many years to come. In previous newsletters, we explained the importance of acquisitions, which provide an initial cash yield in excess of our weighted average cost of capital. Fortunately, although it continues to be a challenging environment for acquisitions, we have been able to find acquisition opportunities that satisfy our financial hurdle rates.

Frequently, we are asked about inflation and how an increase in the inflation rate may impact Edgewood REIT. From a historical standpoint, real estate investment trusts have delivered strong performance during inflationary periods. This has been particularly true for real estate investment

trusts, such as Edgewood REIT, that have a history of year-over-year increases in earnings-per-share and dividend payouts. Our objective has been, and continues to be, to increase our annual dividend payout to cover inflation and in percentage terms exceed the rate of inflation. In our opinion, Edgewood REIT should perform extremely well in an inflationary environment for the following reasons:

1. Strong multi-family asset base where we can adjust rental rates as the market dictates;
2. Net lease portfolio which contains annual rent escalators tied to increases in the Consumer Price Index;
3. Fixed interest rates on our indebtedness with a weighted average maturity of 10.9 years; and
4. Appreciation in real estate values is correlated with replacement cost.

Income producing real estate is an excellent investment in an inflationary environment as it provides a natural hedge against inflation. We are confident Edgewood REIT will continue to deliver strong, long-term risk adjusted performance and will perform well in both inflationary and disinflationary environments.

Thank you for your support, and if you have any questions, please contact a member of your Management Team.

Sincerely,

Edgewood Management Team

BUILDING OUR FUTURE

Income Statement Data

	YTD	Second Quarter 2021
Revenues	\$60,320,414	\$30,617,641
Net Income	\$18,460,116	\$9,132,666
Funds from Operations (FFO)	\$29,263,279	\$15,067,286
Funds Available for Distribution (FAD)	\$26,638,878	\$13,731,768

Balance Sheet Data

	June 30, 2021
Current Assets	\$47,063,477
Current Liabilities	\$56,444,717
Total Real Estate Investments	\$1,152,853,201
Total Assets	\$1,223,965,785
Long Term Liabilities	\$675,136,231
Shareholder Equity	\$492,384,837

Per Share Data

	YTD	Second Quarter 2021
Shares/ Partnership Units	32,634,732	32,634,732
Net Income	\$0.5657	\$0.2798
Funds from Operations (FFO)	\$0.8163	\$0.4617
Funds Available for Distribution (FAD)	\$0.8161	\$0.4208

Weighted Shares Outstanding

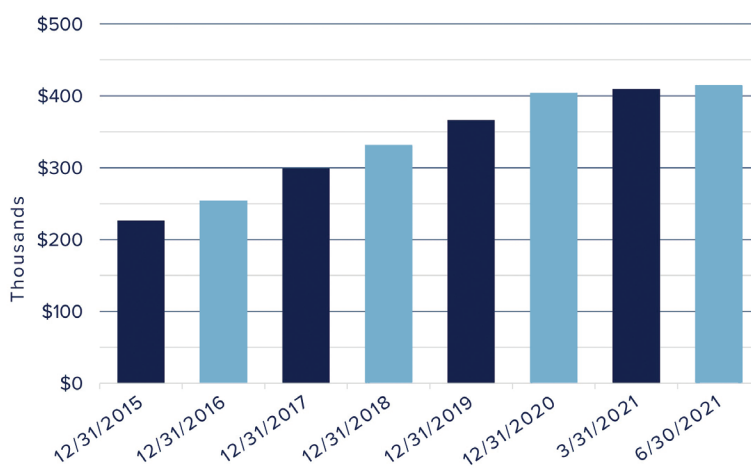
	YTD	Second Quarter 2021
Weighted Shares/ Partnership Units	31,790,606	32,151,164
Net Income – Weighted Share	\$0.5807	\$0.2841
Funds from Operations (FFO)	\$0.9205	\$0.4686
Funds Available for Distribution (FAD)	\$0.8379	\$0.4271
Dividends Per Share	\$0.5500	\$0.2750
Total Dividends Paid	\$17,570,949	\$8,900,893

Dividend Coverage

	YTD	Second Quarter 2021
FFO/Total Dividends Paid	166.54%	169.28%
FAD/Total Dividends Paid	151.61%	154.27%

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 \$414,713.96 as of June 30, 2021.



Dividend Declaration

The Board of Trustees declared a dividend of 27.50 cents per share to shareholders and partners of record as of June 30, payable on July 15, 2021. This constitutes the 41st consecutive quarterly dividend paid to our shareholders and partners.

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

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 Opegard at 701-212-4800 for assistance.

Contact Edgewood REIT

Roger Domres E: Roger.Domres@ewreit.com P: 701-240-3335
Shareholder Services: Kari Opegard E: kari@ewreit.com P: 701-212-4800 W: edgewoodreit.com