



Multifamily Apartments, San Antonio, TX

## 2023 Second Quarter Report to Shareholders & Partners Quarter ended June 30, 2023

### Dear Shareholders and Partners:

Greetings from your Management Team!

We hope you are having a pleasant summer, and this report finds you in good health.

In this report, we present the 2nd Quarter 2023 financial performance for Edgewood Real Estate Investment Trust (“REIT”). The REIT continues to realize strong financial performance in all asset classes – revenue is in excess of budget and expenses, with the exception of snow removal, is tracking very close to budget. In all, we had a good start to 2023 and expect to finish the year from a net operating income standpoint very close to budget. The multi-family portfolio consists of 7,084 units and occupancy as of June 30, was 95.31%. Occupancy percentage was 96.15% if we exclude multi-family units impacted by value-add projects. Our net lease portfolio consists of 91 healthcare and other commercial properties, with occupancy exceeding 99%. Current enterprise value of the REIT is approximately \$2.0 billion and our market capitalization as of June 30, was approximately \$1.2 billion.

We remain patient and disciplined as we deploy capital. We continue to seek multi-family and net lease assets which satisfy our financial hurdle rates. That is, acquisitions which will grow earnings-per-share and enhance shareholder value. Finding attractively priced assets remains challenging and requires sorting through many transactions to find one or two that meet our requirements. We were fortunate in the 2nd Quarter to acquire a 91-unit townhome property located in Fargo, North Dakota. As part of the transaction, we assumed 2.59% HUD financing (fixed for 30 years) which added to the

attractiveness of the asset.

In the 2nd Quarter, and as part of our program to recycle capital, we sold a 56 unit multi-family property by the name of Sherwood Village located in Springfield, Missouri. This asset was owned by the REIT for 5 years, had performed well for the REIT, but we felt it was time to sell and redeploy capital in a manner which would create greater shareholder value. Upon disposition, and after all closing costs, we realized an annualized 24% return on this asset. There are several assets in our portfolio we consider non-core assets, and when an opportunity presents itself, we will sell these assets. We enter into dispositions when, and if, we can redeploy capital in a manner which grows earnings-per-share and shareholder value.

Finally, we continue to see articles in national publications focused on the “distressed” commercial real estate market. Many of these articles focus on office space located in larger markets on the West and East Coasts which have been adversely impacted by remote work. At Edgewood REIT, we continue to experience a strong demand on both the tenant side, and as demonstrated by the disposition of Sherwood Village, on the sell side. We believe our portfolio of quality assets located in the upper Midwest and Central United States is a great value proposition in these uncertain financial times.

We remain thankful for our shareholders and partners, and your continued support and confidence. If you have any questions, please contact a member of your Management Team.

Sincerely,

Management Team

## Income Statement Data

	YTD	Second Quarter 2023
Revenues	\$89,010,418	\$45,823,487
Net Income	\$21,145,489	\$11,367,936
Funds from Operations (FFO)	\$42,172,681	\$21,436,637
Funds Available for Distribution (FAD)	\$38,773,049	\$19,689,298

## Balance Sheet Data

	June 30, 2023
Current Assets	\$72,417,681
Current Liabilities	\$80,345,291
Total Real Estate Investments	\$1,661,927,543
Total Assets	\$1,759,826,796
Long Term Liabilities	\$841,757,692
Shareholder Equity	\$837,723,813

## Per Share Data

	YTD	Second Quarter 2023
Shares/ Partnership Units	47,727,568	47,727,568
Net Income	\$0.4430	\$0.2382
Funds from Operations (FFO)	\$0.8836	\$0.4491
Funds Available for Distribution (FAD)	\$0.8124	\$0.4125

## Weighted Shares Outstanding

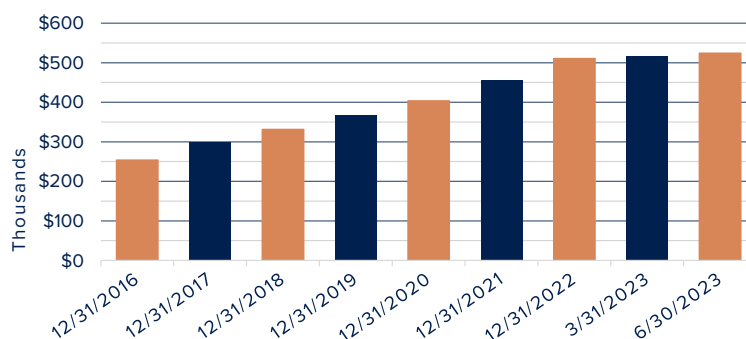
	YTD	Second Quarter 2023
Weighted Shares/ Partnership Units	46,535,334	46,895,207
Net Income – Weighted Share	\$0.4544	\$0.2424
Funds from Operations (FFO)	\$0.9063	\$0.4571
Funds Available for Distribution (FAD)	\$0.8332	\$0.4199
Dividends Per Share	\$0.6250	\$0.3125
Total Dividends Paid	\$29,189,011	\$14,702,500

## Dividend Coverage

	YTD	Second Quarter 2023
FFO/Total Dividends Paid	144.48%	145.80%
FAD/Total Dividends Paid	132.83%	133.92%

## 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 \$524,475.71 as of June 30, 2023.



## Dividend Declaration

The Board of Trustees declared a dividend of 31.25 cents per share to shareholders and partners of record as of June 30, payable on July 15, 2023. This constitutes the 49th consecutive quarterly dividend paid to our shareholders and partners.

## Dividend Reinvestment

Our Dividend Reinvestment Plan allows for the purchase of REIT 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 \$25.00 per share, which was effective November 1, 2022. 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

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