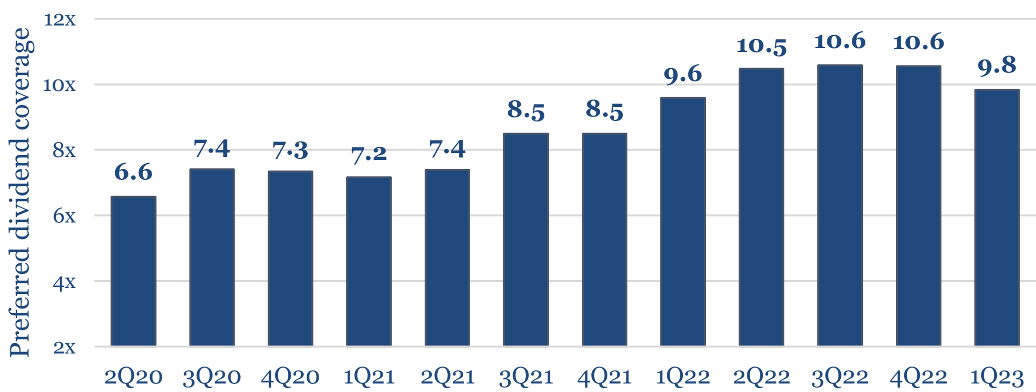
Q1 2023 REIT Preferred Dividend Coverages Remain Strong

- ***Despite concerns about commercial real estate, REIT preferred dividend coverages are solid***
- ***REITs generate close to $10 of free cash flow (after deducting debt service and capital expenditures) for every $1 of preferred dividends to be paid***
- ***Office sector preferred coverages have declined but still remain at fairly healthy levels***

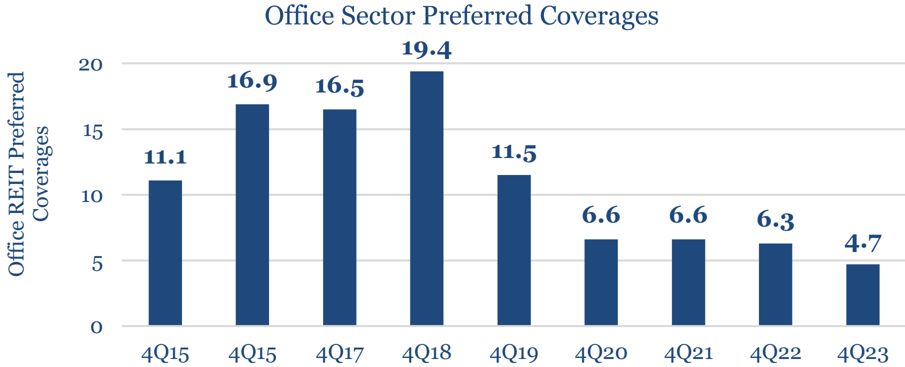
- *REIT Universe Q1.23 Preferred Coverages*
  - Weighted average preferred dividend coverage for the REIT universe was 9.8x as of 1Q23
  - Modest decline in preferred coverages from Q4.22 was mostly due to lower coverages from the mortgage REIT sector
  - Equity REIT coverages in Q1.2023 were flat-to-better vs. 4Q.22

REIT Preferred Universe Dividend Coverage



- *Office Sector Q1.23 Preferred Coverages*
  - Office REIT preferred dividend coverage continued to decline in Q1.23
  - Lowest coverage in office sector was one issuer at 2.3x due to elevated capex
  - All other office issuers carried preferred coverages in the 4.5 - 7x range after capex, and 10x+ before capex
  - We also calculate office REIT EBITDA must decline by a weighted average of 16% for preferred coverage to fall to 1x. For two issuers that decline is about 12%; for all others that decline in EBITDA is about 30%

Office Sector Preferred Coverages



Source: LDR Capital Management Proprietary Database, Bloomberg

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LDR Database Definitions

LDR's calculations regarding REIT preferreds described herein are derived from its proprietary database, which strives to track the performance and valuation metrics for all currently outstanding publicly-traded REIT preferreds issued in North America (excluding $1000-par preferreds, as they are not exchange-listed). LDR's proprietary database does not include historical data, so references to historical yields and returns prior to 9/30/22 are based on relevant indices, as noted. Overall issuance data, where indicated, includes U.S. and Canada-issued fixed-rate and convertible REIT preferreds. Yield data consists only of U.S.-issued fixed-rate preferreds. All pricing and trading data for the database are derived from Bloomberg.

Use of Indices

The market index information shown herein is for illustrative purposes only and is included to show relative market performance and other metrics for the indicated periods. The indices presented do not represent any LDR account; no such account will seek to replicate an index. Market participants cannot invest directly in an index; indexes are not actively managed, subject to management fees, broker commissions or other expenses, and investors should not rely on them as accurate means of comparison.

Indices

REIT Preferreds is based on the LDR Capital Management proprietary database. Overall Preferreds are represented by the ICE BofA Core Plus Fixed Rate Preferred Securities Index, which tracks the performance of fixed U.S. dollar-denominated preferred securities issued in the U.S. domestic market. Municipal Bonds use the Bloomberg Municipal Bond Total Return Index, which covers the USD-denominated long-term tax-exempt bond market. High Yield Bonds are represented by the ICE BofA BB US High Yield Index which tracks the performance of the U.S. dollar-denominated below investment grade corporate debt rate BB1 through BB3 publicly issued in the U.S. domestic market. Investment Grade Bonds use the ICE BofA BBB US Corporate Index which tracks the performance of U.S. dollar-denominated investment grade corporate debt rates BBB1 through BBB3 publicly issued in the U.S. domestic market. The TNX Index represents the U.S. 10-Year Treasury. Qualified Dividend Income ("QDI") are ordinary dividends that meet specific criteria to be taxed at the lower long-term capital gains tax rate of 20% rather than at the higher tax rate for an individual's ordinary income.