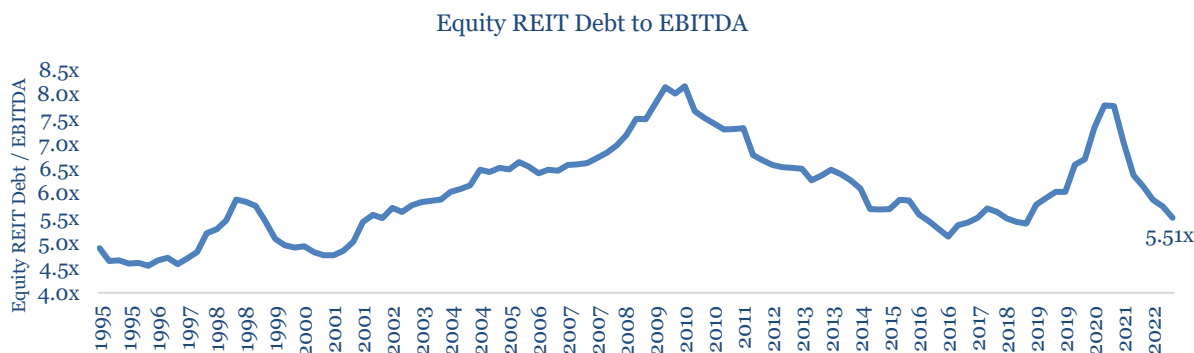


REIT Preferred Credit Quality

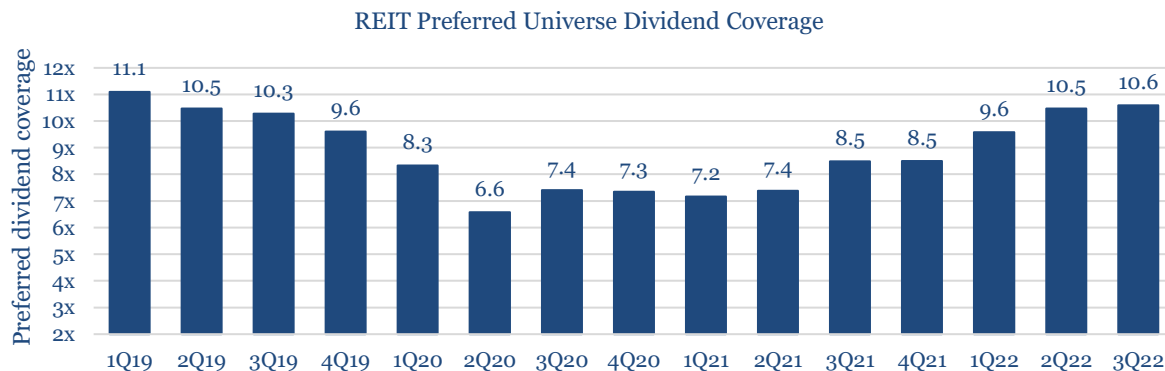
- **Commercial Real Estate:** The asset class touches upon all sectors of our economy and is certainly exposed to any potential economic downturn. That said, several commercial real estate sectors carry lengthy lease durations, enabling them to mute downside risk.
- **REIT Preferred Historic Defaults:** REIT preferreds cumulative loss over the past ~25 years is just 3.5% of total par issued. This translates to just 0.14% per year of credit loss.
- **Public REITs:** The industry moves into this period of economic slowdown with historically strong balance sheet statistics; equity ratios are high, and liquidity is strong, in our view. (Exhibit 1)
- **REIT Preferreds:** Dividend coverage levels have returned to pre-pandemic levels and are in sound standing. Historic default levels have been akin to investment-grade debt. We believe the quality and consistency of preferred dividend income should remain intact despite an anticipated economic slowdown. (Exhibit 2)

Exhibit 1: REIT Debt/EBITDA approaching multiyear lows



Source: NAREIT. Defined as aggregate debt for all listed equity REITs divided by aggregated reported EBITDA.

Exhibit 2: REIT Preferred Dividend Coverage has returned to pre-pandemic levels, and remains exceedingly strong



*Bloomberg Database

Source: LDR Capital Management Proprietary Database

Investment advisory services are offered through [LDR Capital Management, LLC](#), an SEC-registered investment adviser. For more information on the REIT Preferred Asset Class, please visit our website to read our REIT preferred scorecard, which is updated monthly. Past performance is not a guarantee of future results.

Please refer to "Disclaimers and Disclosures" at the end of this presentation for additional important information.

REIT Preferreds - High Credit Quality

As of 03/01/2023

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DISCLAIMERS AND DISCLOSURES

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There are several risks associated with investing in real estate of which investors must be aware, which may include, but are not limited to, fluctuations in the value of underlying properties, defaults by borrowers or tenants, market saturation, changes in general and local operating expenses, and other economic, political or regulatory occurrences affecting companies in the real estate industry. In addition to those in general, investing in REITs involves certain other risks related to their structure and focus, which can include, but are not limited to, dependency upon management skills, limited diversification, the risks of locating and managing financing for projects, heavy cash flow dependency, possible default by borrowers, the costs and potential losses of self-liquidation of one or more holdings, the risk of a possible lack of mortgage funds and associated interest rate risks, overbuilding, property vacancies, increases in property taxes and operating expenses, changes in zoning laws, losses due to environmental damages, changes in neighborhood values and appeal to purchasers, the possibility of failing to maintain exemptions from registration under the Investment Company Act of 1940 and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility. REITs are also subject to the risk that the real estate market may experience an economic downturn generally, which may have a material effect on the real estate in which the REITs invest and their underlying portfolio securities. Investors should carefully consult all offering and legal documents to ensure suitability before investing.

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.