

# REIT PREFERRED SCORECARD

August 2017

## Total Return as of 7/31/2017

REIT Preferreds	Jul 2017	2017 YTD	2016	2015	2014	2013	2012
Overall universe*	0.6%	9.4%	3.7%	6.1%	20.4%	-6.0%	11.4%
5-6% coupon	0.7%	12.1%	-2.5%	11.0%	26.1%	-15.9%	4.8%
6-7% coupon	0.8%	8.7%	3.1%	7.8%	19.1%	-7.0%	5.5%
7-8% coupon	0.4%	7.3%	10.4%	3.2%	17.5%	0.2%	10.9%
8%+ coupon	0.1%	6.5%	13.7%	2.6%	12.3%	4.8%	14.2%

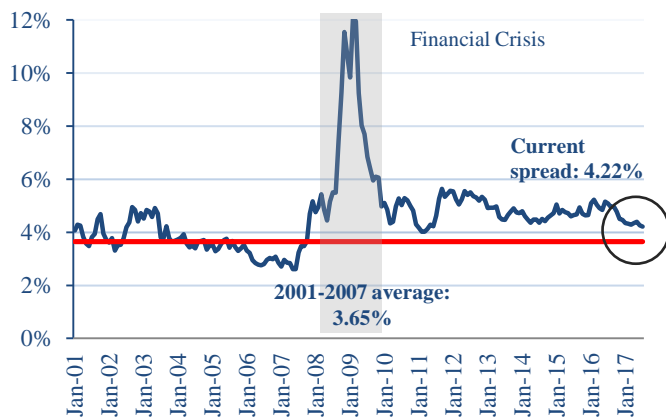
\*Overall REIT preferred universe total returns based on Wells Fargo Hybrid & Preferred Securities REIT Index. All other data based on proprietary database of REIT preferreds. Source: LDR Capital Management, Bloomberg.

## Strip Yield as of 7/31/2017

REIT Preferreds	Jul 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013	Dec 2012
Overall universe	6.6%	6.9%	6.9%	6.8%	7.6%	6.9%
5-6% coupon	5.4%	5.9%	5.5%	5.7%	6.7%	5.4%
6-7% coupon	6.3%	6.6%	6.4%	6.5%	7.3%	6.3%
7-8% coupon	7.4%	7.7%	7.8%	7.5%	8.2%	7.5%
8%+ coupon	8.2%	8.4%	8.5%	8.2%	8.5%	8.2%

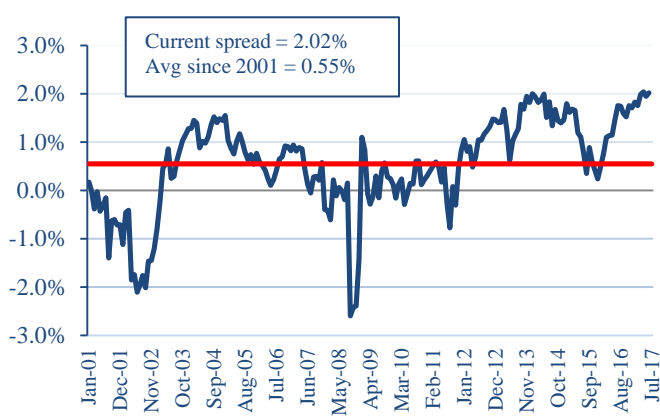
Data, including overall universe, based on proprietary database of REIT preferreds. Source: LDR Capital Management, Bloomberg.

## REIT Preferred Yield vs. 10-Year Treasury



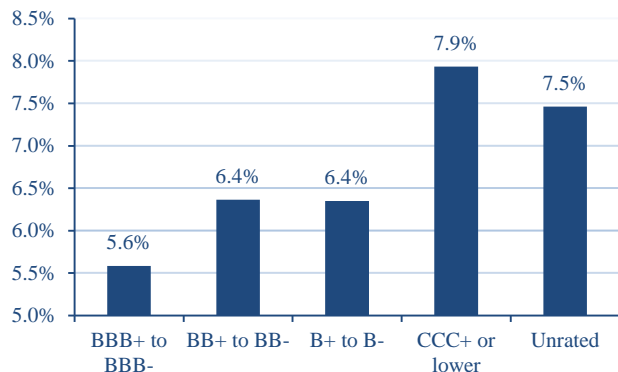
REIT preferred yield based on Wells Fargo Hybrid & Preferred Securities REIT Index. Source: Wells Fargo, Bloomberg. As of 7/31/17.

## REIT Preferred Yield vs. BB-Rated Corporate Bonds



REIT preferred yield based on Wells Fargo Hybrid & Preferred Securities REIT Index. Corporate bonds based on Bank of America Merrill Lynch US High Yield BB Option-Adjusted Spread. Source: Wells Fargo, Federal Reserve of St. Louis. As of 7/31/17.

## REIT Preferred Strip Yield by Credit Rating



Source: LDR Capital Management, Bloomberg. As of 7/31/17.

## Percent of REIT Preferreds Trading Above/Below Par

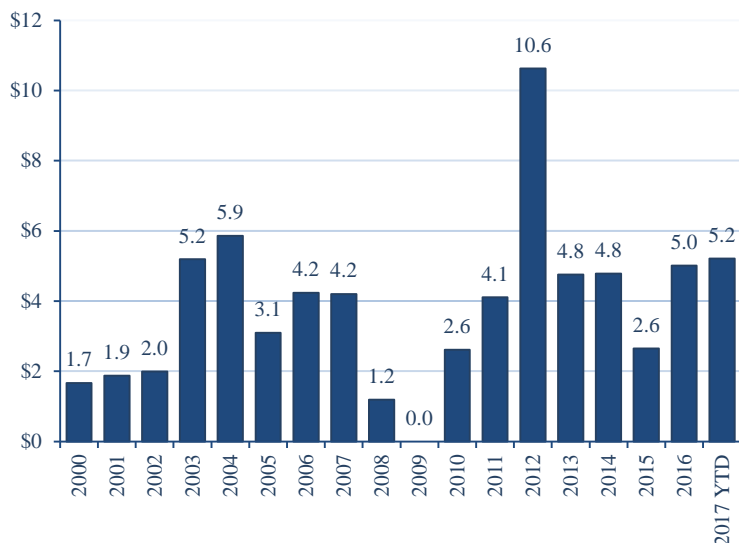
	Jul 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013	Dec 2012
Trading below par	13%	52%	36%	28%	72%	18%
Trading at par	9%	14%	8%	12%	9%	17%
Trading above par	78%	34%	56%	60%	19%	65%

Source: LDR Capital Management, Bloomberg.

# REIT PREFERRED SCORECARD

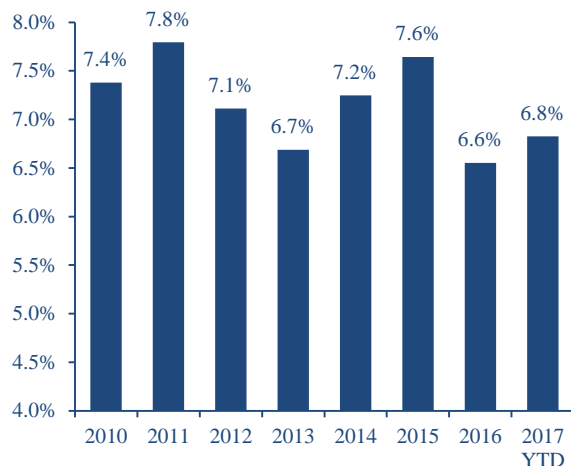
August 2017

## REIT Preferred Issuance by Year (\$B)



Source: NAREIT, LDR Capital Management. As of 7/31/17.

## Average Coupon at Issue, by Issuance Year



Average based on simple average coupon of preferreds issued. Data as of 7/31/17. Source: LDR Capital Management.

## 10 Most Recent Real Estate Preferred Offerings

	At Issuance				Current Pricing			
	Date of Issuance	Issue Size (\$M)	Coupon	Spread to 10-year	Current Price	Current Strip Yield	Current Spread to 10-year	Change in Spread
Public Storage Series G	07/31/2017	\$300	5.05%	2.76%	NA	NA	NA	NA
Annaly Capital Management Series F	07/25/2017	\$700	6.95%	4.61%	\$24.85	7.00%	4.70%	0.09%
UMH Properties Series C	07/21/2017	\$125	6.75%	4.51%	\$25.27	6.68%	4.39%	-0.13%
Crown Castle Mandatory Convertible Preferred Series A	07/21/2017	\$1,650	6.88%	4.64%	\$1,067.23	4.51%	2.22%	-2.42%
Two Harbors Investment Series B	07/12/2017	\$288	7.63%	5.31%	\$25.34	7.55%	5.25%	-0.05%
American Homes 4 Rent Series G	07/10/2017	\$115	5.88%	3.50%	\$25.15	5.85%	3.55%	0.05%
PennyMac Mortgage Trust Series B	06/27/2017	\$175	8.00%	5.79%	\$25.05	8.04%	5.74%	-0.05%
DDR Series A	05/30/2017	\$175	6.38%	4.17%	\$26.90	5.96%	3.67%	-0.49%
Colony NorthStar Series I	05/24/2017	\$300	7.15%	4.90%	\$25.64	7.02%	4.73%	-0.17%
Public Storage Series F	05/23/2017	\$250	5.15%	2.87%	\$25.21	5.15%	2.85%	-0.02%

Source: LDR Capital Management, Bloomberg. Current pricing as of 7/31/17.

For informational purposes only. This document should not be construed as providing any type of investment, legal, tax or other advice to you and should not be relied upon as such. You should not consider this to be a solicitation, recommendation, endorsement or offer to you to purchase or sell any financial security or other financial instrument. No representations or warranties are made as to third party sourced information.