

REIT PREFERRED SCORECARD

June 2017

Total Return as of 5/31/2017

REIT Preferreds	May 2017	2017 YTD	2016	2015	2014	2013	2012
Overall universe*	0.5%	7.0%	3.7%	6.1%	20.4%	-6.0%	11.4%
5-6% coupon	0.9%	10.0%	-2.5%	11.0%	26.1%	-15.9%	4.8%
6-7% coupon	0.1%	6.2%	3.1%	7.8%	19.1%	-7.0%	5.5%
7-8% coupon	0.5%	5.5%	10.4%	3.2%	17.5%	0.2%	10.9%
8%+ coupon	0.4%	5.0%	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 5/31/2017

REIT Preferreds	May 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013	Dec 2012
Overall universe	6.7%	6.9%	6.9%	6.8%	7.6%	6.9%
5-6% coupon	5.5%	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	7.5%	7.7%	7.8%	7.5%	8.2%	7.5%
8%+ coupon	8.2%	8.4%	8.5%	8.2%	8.5%	8.2%

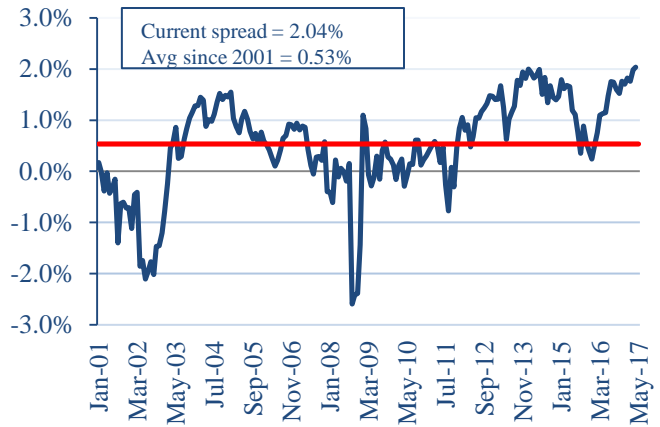
Data, including overall universe, based on proprietary database of REIT preferreds. Source: LDR Capital Management, Bloomberg.

REIT Preferred Yield vs. 10-Year Treasury



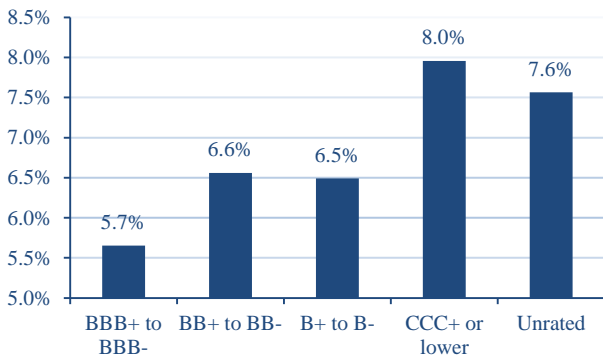
REIT preferred yield based on Wells Fargo Hybrid & Preferred Securities REIT Index. Source: Wells Fargo, Bloomberg. As of 5/31/17.

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 5/31/17.

REIT Preferred Strip Yield by Credit Rating



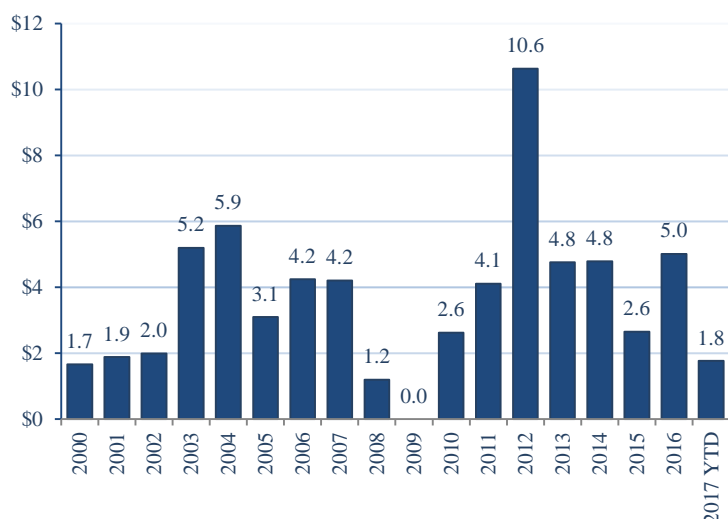
Source: LDR Capital Management, Bloomberg. As of 5/31/17.

Percent of REIT Preferreds Trading Above/Below Par

	May 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013	Dec 2012
Trading below par	18%	52%	36%	28%	72%	18%
Trading at par	13%	14%	8%	12%	9%	17%
Trading above par	69%	34%	56%	60%	19%	65%

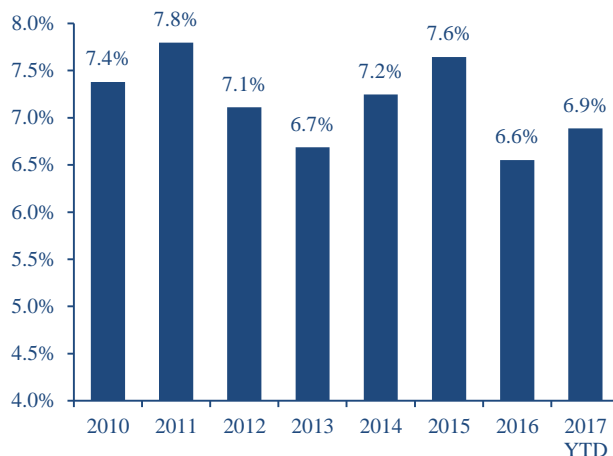
Source: LDR Capital Management, Bloomberg.

REIT Preferred Issuance by Year (\$B)



Source: NAREIT, LDR Capital Management. As of 5/31/17.

Average Coupon at Issue, by Issuance Year



Average based on simple average coupon of preferreds issued. Data as of 5/31/17. 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
DDR Series A	05/30/2017	\$175	6.38%	4.17%	\$25.30	6.37%	4.09%	-0.08%
Colony NorthStar Series I	05/24/2017	\$300	7.15%	4.90%	\$25.05	7.14%	4.86%	-0.04%
Public Storage Series F	05/23/2017	\$250	5.15%	2.87%	\$24.83	5.19%	2.91%	0.03%
Arlington Asset Management Series B	05/05/2017	\$3	7.00%	4.65%	\$24.00	7.36%	5.08%	0.43%
Great Ajax Convertible Senior Unsecured (Baby Bond)	04/20/2017	\$88	7.25%	5.02%	\$25.55	7.12%	4.83%	-0.18%
American Homes 4 Rent Series F	04/19/2017	\$150	5.88%	3.66%	\$24.36	6.06%	3.78%	0.12%
Two Harbors Investment Corp Series A	03/07/2017	\$144	8.13%	5.61%	\$27.04	7.68%	5.40%	-0.21%
PennyMac Mortgage Trust Series A	03/02/2017	\$115	8.13%	5.65%	\$25.36	8.02%	5.74%	0.09%
Ashford Prime Series B Convertible *	03/03/2017	\$40	5.50%	3.02%	\$19.61	7.12%	4.84%	1.82%
Chimera Investment Corp Series B	02/22/2017	\$300	8.00%	5.59%	\$25.41	7.86%	5.58%	0.00%

* Ashford Prime Series B is a re-opening of an existing issue.

Source: LDR Capital Management, Bloomberg. Current pricing as of 5/31/17.

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