

REIT PREFERRED SCORECARD

May 2017

Total Return as of 4/30/2017

REIT Preferreds	Apr 2017	2017 YTD	2016	2015	2014	2013	2012
Overall universe*	1.0%	6.4%	3.7%	6.1%	20.4%	-6.0%	11.4%
5-6% coupon	1.3%	9.2%	-2.5%	11.0%	26.1%	-15.9%	4.8%
6-7% coupon	0.5%	6.1%	3.1%	7.8%	19.1%	-7.0%	5.5%
7-8% coupon	0.9%	5.0%	10.4%	3.2%	17.5%	0.2%	10.9%
8%+ coupon	1.6%	4.5%	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 4/30/2017

REIT Preferreds	Apr 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013	Dec 2012
Overall universe	6.8%	6.9%	6.9%	6.8%	7.6%	6.9%
5-6% coupon	5.6%	5.9%	5.5%	5.7%	6.7%	5.4%
6-7% coupon	6.4%	6.6%	6.4%	6.5%	7.3%	6.3%
7-8% coupon	7.6%	7.7%	7.8%	7.5%	8.2%	7.5%
8%+ coupon	8.3%	8.4%	8.5%	8.2%	8.5%	8.2%

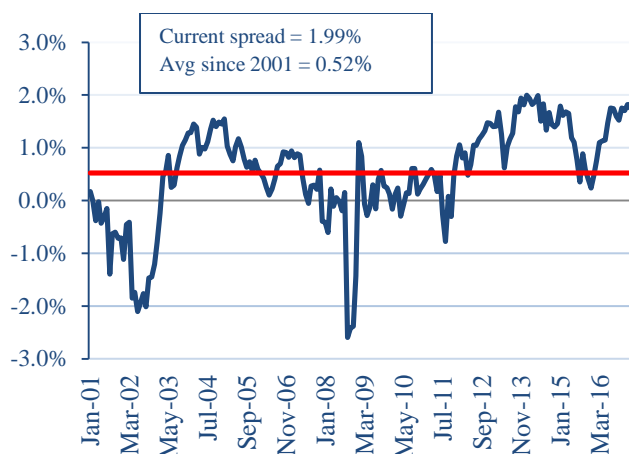
Data, including overall universe, based on proprietary database of REIT preferreds. Source: LDR Capital Management, Bloomberg.

REIT Preferred Yield vs. 10-Year Treasury



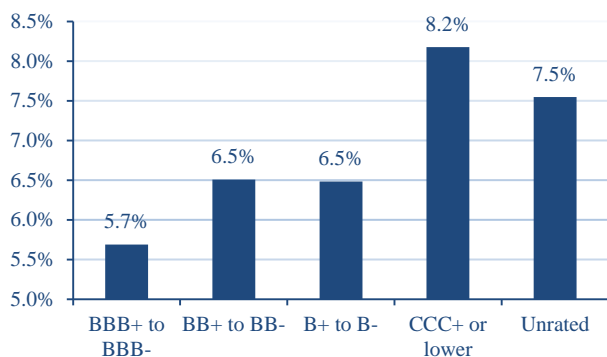
REIT preferred yield based on Wells Fargo Hybrid & Preferred Securities REIT Index. Source: Wells Fargo, Bloomberg. As of 4/30/17.

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 4/30/17.

REIT Preferred Strip Yield by Credit Rating



Source: LDR Capital Management, Bloomberg. As of 4/30/17.

Percent of REIT Preferreds Trading Above/Below Par

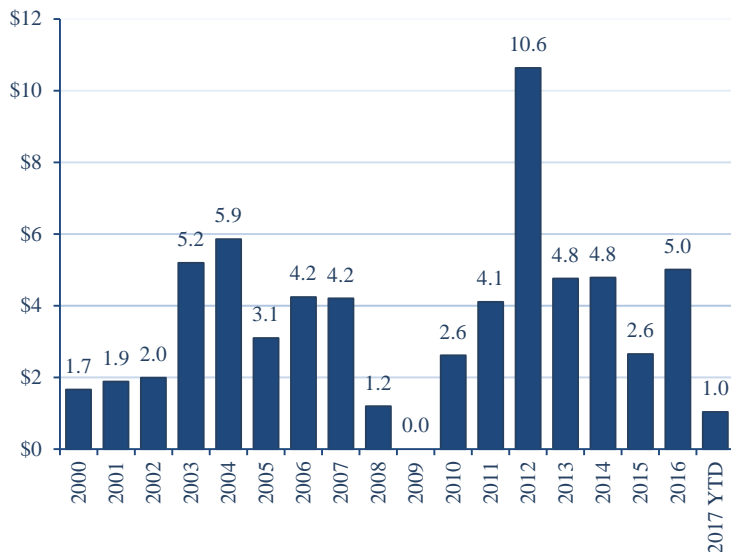
	Apr 2017	Dec 2016	Dec 2015	Dec 2014	Dec 2013	Dec 2012
Trading below par	18%	52%	36%	28%	72%	18%
Trading at par	9%	14%	8%	12%	9%	17%
Trading above par	73%	34%	56%	60%	19%	65%

Source: LDR Capital Management, Bloomberg.

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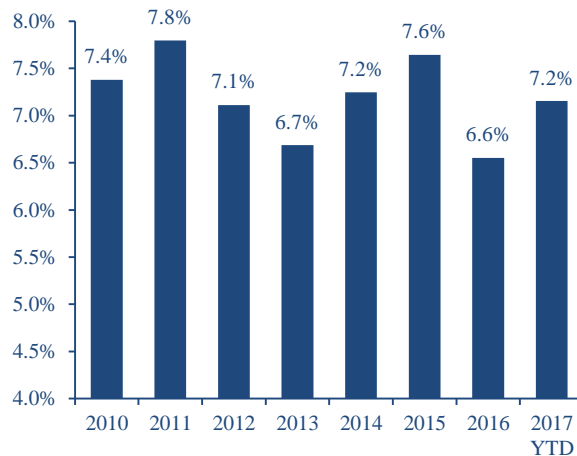
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REIT Preferred Issuance by Year (\$B)



Source: NAREIT, LDR Capital Management. As of 4/30/17.

Average Coupon at Issue, by Issuance Year



Average based on simple average coupon of preferreds issued. Data as of 4/30/17. 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
Great Ajax Convertible Senior Unsecured (Baby Bond)	04/25/2017	\$88	7.25%	4.92%	\$25.30	7.18%	4.90%	-0.02%
American Homes 4 Rent Series F	04/24/2017	\$150	5.88%	3.60%	\$24.80	5.92%	3.64%	0.04%
Two Harbors Investment Corp Series A	03/14/2017	\$144	8.13%	5.52%	\$26.80	7.71%	5.43%	-0.10%
PennyMac Mortgage Trust Series A	03/09/2017	\$115	8.13%	5.52%	\$25.37	8.11%	5.83%	0.31%
Ashford Prime Series B Convertible*	03/03/2017	\$40	5.50%	3.02%	\$20.25	6.88%	4.60%	1.58%
Chimera Investment Corp Series B	02/27/2017	\$300	8.00%	5.64%	\$25.72	7.89%	5.61%	-0.02%
Penn REIT Series C	01/27/2017	\$173	7.20%	4.72%	\$25.96	7.02%	4.74%	0.02%
Hersha Hospitality Series E	11/07/2016	\$100	6.50%	4.67%	\$24.75	6.63%	4.35%	-0.33%
PS Business Parks Series W	10/20/2016	\$190	5.20%	3.44%	\$23.96	5.47%	3.19%	-0.26%
Ashford Hospitality Series G	10/18/2016	\$155	7.38%	5.64%	\$24.78	7.49%	5.21%	-0.43%

* Ashford Prime Series B is a re-opening of an existing issue.
Source: LDR Capital Management, Bloomberg. Current pricing as of 4/30/17.

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