

Summary

PRICING

- We calculate that REIT preferreds trade at an average yield of 8.5%. On a price basis, we calculate that the sector has a 21.1% upside to par value. 93% of REIT preferreds trade at or below their par value

PERFORMANCE

- We calculate that the REIT preferred universe was up +0.9% in the month on a total return basis. Higher coupon REIT preferreds outperformed lower coupon preferreds.

NEW ISSUANCE AND REDEMPTIONS

- There were \$395 million in new issuance of REIT preferreds year-to-date. Issuance was focused in the mortgage sector.

Total Return as of 2/28/2025

REIT Preferreds	Feb 2025	2025 YTD	2024	2023	2022	2021	2020
Overall universe	0.9%	1.8%	9.7%	16.7%	-17.6%	12.4%	-0.7%
5-6% coupon	1.4%	0.8%	5.3%	17.8%	-24.9%	3.3%	6.5%
6-7% coupon	-0.1%	0.3%	11.8%	17.2%	-17.5%	8.5%	0.2%
7-8% coupon	1.5%	3.9%	11.5%	14.2%	-13.3%	19.1%	-4.3%
8%+ coupon	1.1%	2.6%	9.3%	18.0%	-15.1%	21.7%	-4.5%

Based on simple average of LDR’s proprietary database of REIT preferreds returns. Source: LDR Capital Management, Bloomberg.

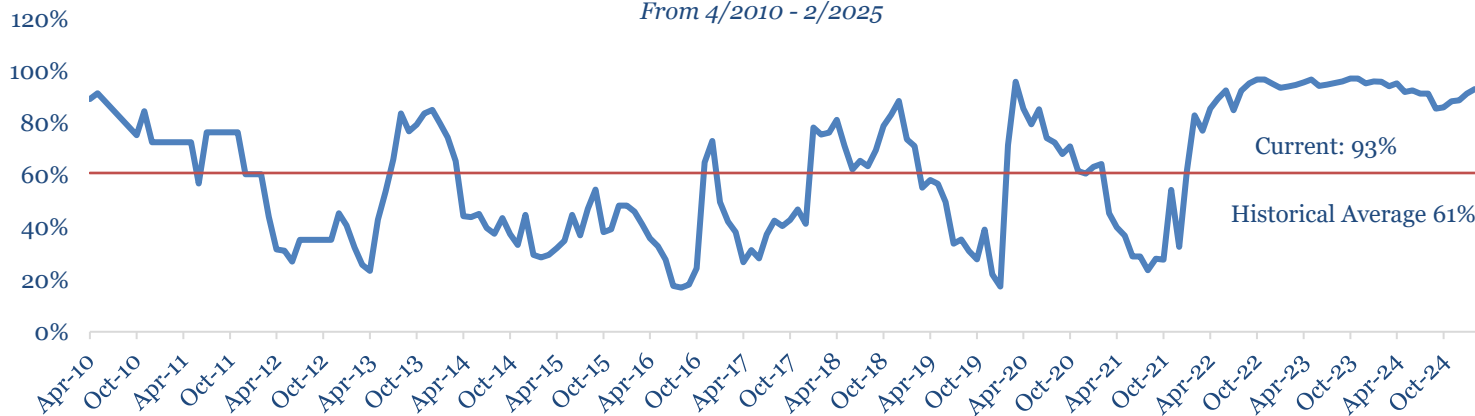
Dividend Yield as of 2/28/2025

REIT Preferreds	Feb 2025	Dec 2024	Dec 2023	Dec 2022	Dec 2021	Dec 2020	Dec 2019
Overall Universe	8.3%	8.3%	8.2%	9.0%	6.3%	6.4%	6.8%
5-6% Coupon	6.6%	6.6%	6.6%	7.3%	5.0%	5.1%	5.3%
6-7% Coupon	8.1%	8.0%	8.1%	8.4%	6.2%	6.3%	6.3%
7-8% Coupon	9.2%	9.5%	9.1%	9/5%	6.9%	6.9%	7.5%
8%+ Coupon	9.1%	9.2%	9.6%	11.4%	7.5%	7.2%	7.9%

Based on the simple average yield on LDR’s proprietary database of REIT preferreds. Source: LDR Capital Management, Bloomberg.

% Trading At or Below Par

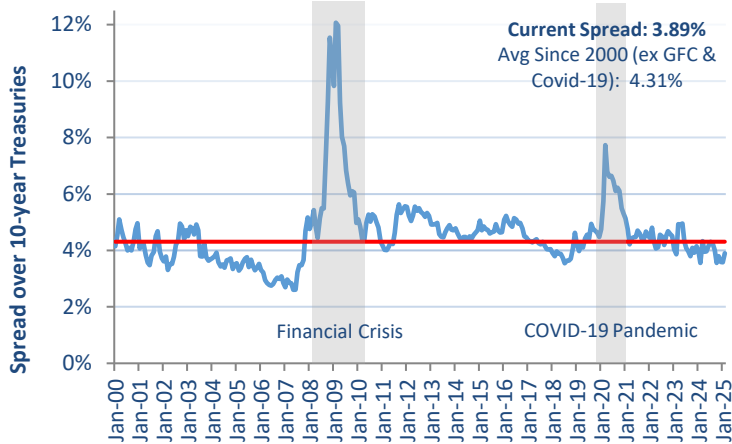
From 4/2010 - 2/2025



Based on LDR Capital Management’s proprietary database of REIT Preferreds. Source: LDR Capital Management, Bloomberg. As of 2/28/2025.

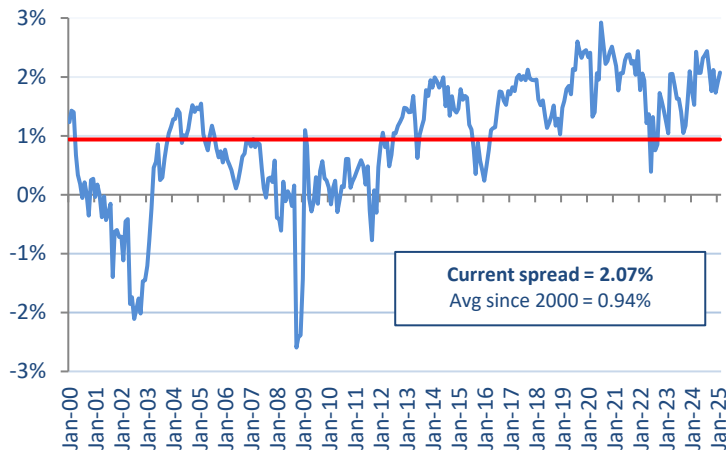
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REIT Preferred Yield vs. 10-Year Treasury



REIT preferred yield based on Wells Fargo Hybrid & Preferred Securities REIT Index until 3/31/21 and based on LDR proprietary data base starting 4/30/21. Corporate bonds based on BAML US High Yield BB Option-Adjusted Spread. Source: Wells Fargo, LDR Capital Management, Federal Reserve of St. Louis. As of 2/28/25.

REIT Preferred Yield vs. BB-Rated Corporate Bonds



REIT preferred yield based on Wells Fargo Hybrid & Preferred Securities REIT Index until 3/31/21, and based on LDR proprietary data base starting 4/1/21. Source: Wells Fargo, LDR Capital Management, Bloomberg. As of 2/28/25.

10 Most Recent REIT Preferred Issuances

	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
Rithm Properties Trust Series C	03/04/2025	\$50	9.88%	5.62%	\$24.92	9.92%	5.71%	0.09%
PennyMac Mortgage Investment Trust 9% Senior Unsecured	02/11/2025	\$173	9.00%	4.49%	\$25.58	8.87%	4.66%	0.17%
Redwood Trust 9.125% Senior Unsecured	01/17/2025	\$90	9.13%	4.47%	\$24.76	9.30%	5.10%	0.62%
New York Mortgage Trust 9.125% Senior Unsecured	01/14/2025	\$83	9.13%	4.44%	\$25.25	9.22%	5.01%	0.57%
Ready Capital 9% Senior Unsecured	12/10/2024	\$130	9.00%	4.78%	\$24.79	9.09%	4.88%	0.10%
Innovative Industrial Properties Series A *	08/16/2024	NA	9.00%	5.12%	\$25.71	8.86%	4.66%	-0.46%
Chimera Investment Corporation 9.25% Senior Unsecured	08/12/2024	\$75	9.25%	5.35%	\$25.19	9.25%	5.04%	-0.31%
Angel Oak Mortgage REIT 9.5%	07/25/2024	\$50	9.50%	5.30%	\$25.34	9.49%	5.28%	-0.02%
New York Mortgage Trust 9.125% Senior Unsecured	06/28/2024	\$60	9.13%	4.88%	\$25.23	9.22%	5.01%	0.13%
Redwood Trust 9% Senior Unsecured	06/18/2024	\$85	9.00%	4.76%	\$24.77	9.11%	4.91%	0.15%

Source: LDR Capital Management, Bloomberg. Current pricing as of 2/28/25.

* Represents an at-the-market offering of an existing issue.

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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

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Indices

ICE US Institutional Capital Securities Index tracks the performance of US dollar denominated hybrid capital corporate and preferred securities publicly issued in the US domestic market. The index only includes securities with \$1,000 par format.

POP4 tracks the performance of fixed rate US dollar denominated preferred securities issued in the US domestic market. \$1,000 par securities are excluded from the Index.

US REIT preferreds is based on LDR Capital Management's proprietary database.

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