

The background is a blue-tinted image of a financial chart. A pen is pointing to a specific data point on the chart. The chart shows a line graph with several peaks and troughs. The pen is positioned over a peak on the right side of the chart. The overall image has a professional, business-like feel.

Oros REIT Holdings

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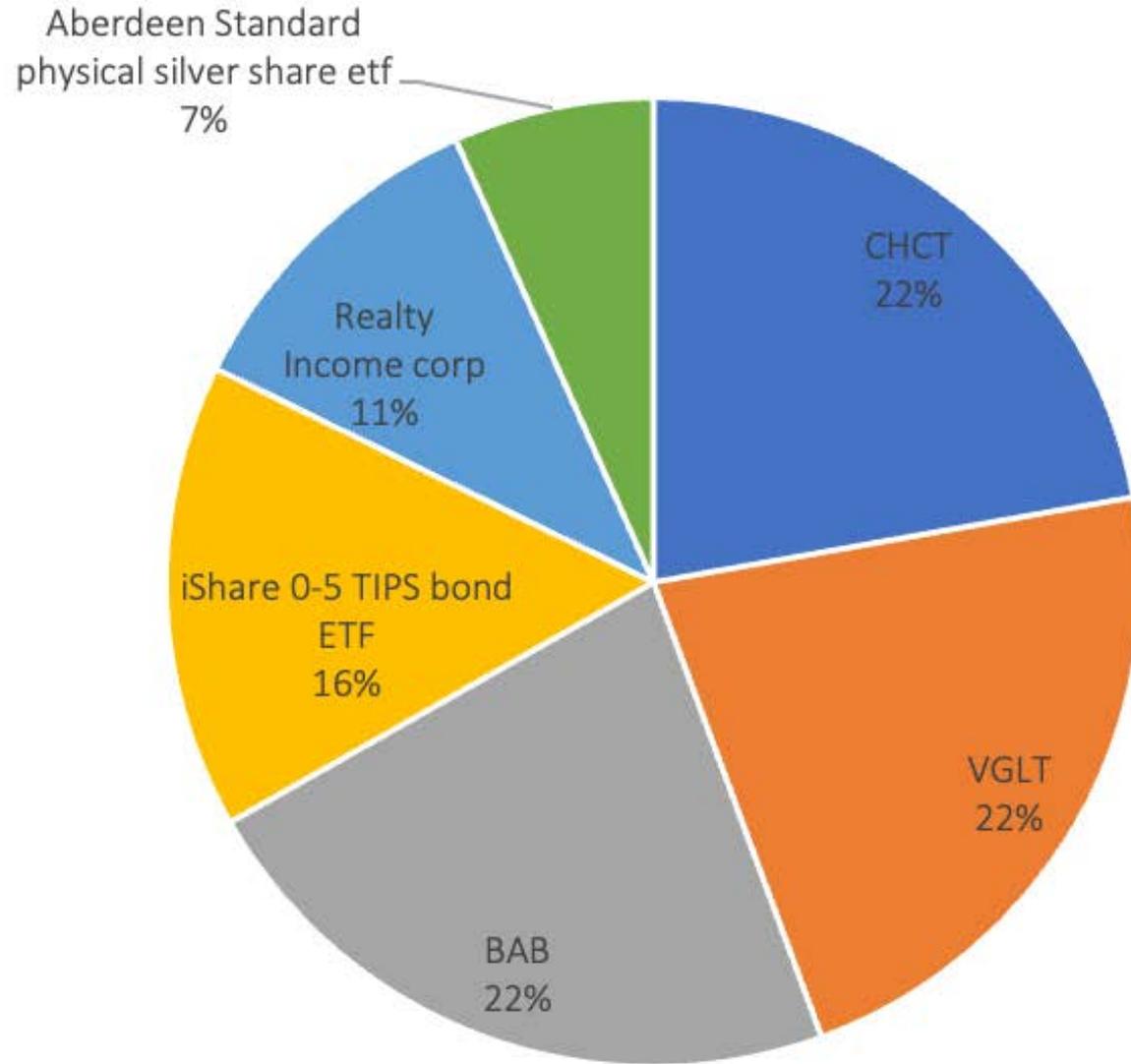
What is a REIT?

- REIT stands for Real Estate Investment Trust.
- It's a company that owns, operates, or finances income-producing real estate in a range of property sectors
- REITs must distribute at least 90% of their taxable income to shareholders in the form of dividends, which means they often offer high dividend yields (Income)

REITs: Continued

- A high interest rate environment and bearish investor sentiments have made it a tough year for REIT companies.
- high interest rates tend to increase borrowing costs and at the same time slow down property appreciation
- Why buy a risky asset like a REIT at 6% yield when safer asset classes are yield close to that, if not higher
- In general, REITs are underperforming the real estate sector, which is also underperforming.

Fund Allocation



Fund Overview

Fund goal: Generate income using a concentration of fixed Income and alternative assets

Holdings Analysis: CHCT

Overview:

- A healthcare REIT
- \$991.2 million in 184 properties
- located in 34 states
- 4.0 million sqf
- 91.7% leased as of June 30, 2023
- Weighted average remaining lease term of approximately 7.1 years



Holdings Analysis: CHCT

Property Type		# of Properties	Gross Investment
Medical Office Building		85	\$ 390,389
Inpatient Rehabilitation Facilities		7	151,234
Acute Inpatient Behavioral		5	130,410
Specialty Centers		37	119,865
Physician Clinics		30	86,602
Surgical Centers and Hospitals		10	52,762
Behavioral Specialty Facilities		9	45,019
Long-term Acute Care Hospitals		1	14,937
Total		184	\$ 991,218

Holding Analysis: CHCT

State		# of Properties		Gross Investment
Texas		16		\$138,913
Illinois		16		121755
Ohio		25		110285
Florida		22		96249
Pennsylvania		13		42408
All Others		92		481608
Total		184		\$991,218

Holding Analysis: CHCT

Performance:

- Loss of (19%)
- Future contingent on rates
- Main goal is income

Holding Analysis: CHCT

Why did we invest:

- Strong Financials
- Comparatively Recession Safe
- Strong Dividend Growth
- Good business strategy

Original Exit Strategy:

- Long Term hold (Income)
- Sell if price drops below \$32.02
- Sell if price is above \$45.20

Keep In Mind

- Sell:
 - If under impression rates will stay higher in long run
 - Already under recommended divest price
 - Curb losses and invest in more profitable sector
 - Hold:
 - if rates will go down in long run
 - Dividend yields
 - Potential of less realized losses
-
- Morningstar: Projects a 5.25% rate by the end of 2023, falling to 2.00% by the end of 2025
 - Federal Open Market Committee: Projects a range of 5 to 5.25% by the end of 2024
 - Trading Economics: Projects a rate of 5.25% in 2024 and 4.00% in 2025

Realty Income Inc.

Overview:

- \$3.5B in liquid
- Hold interests in 13,118 properties
- Weighted Avg. Lease Term: 16.8 years
- located in all 50 U.S. states, Puerto Rico, the United Kingdom ("U.K."), Spain, Italy, and Ireland
- 255.5 million square feet of leasable space leased to clients doing business in 85 separate industries



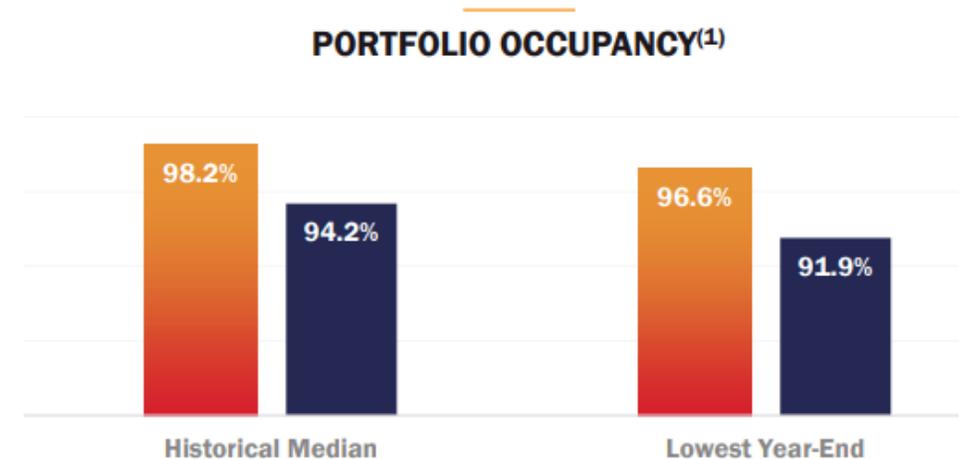
Reality Income Inc.

Overview:

- free-standing, single-tenant commercial properties that are subject to NNN leases (weighted avg lease term of 16.8)
- stock has experienced significant declines in the past month, 6 months, YTD, and 12 months
- The company's current yield of 6.19% is the highest in the last 5 years
- not about capital appreciation but about income potential.
- "The Monthly Dividend Company[®]"

Realty Income Inc.

- The dividend has increased for 103 straight quarters or 26 full years
- paid that monthly dividend for 637 consecutive months or 53 full years
- Realty Income's lowest historical year-end occupancy rate of almost 97%



Holding Analysis: Reality Income inc.

Performance

- Loss of (27.5%)
- Increasing Interest rates and market speculation has investors allocating funds elsewhere, should we?

Holding Analysis: CHCT

Evaluation:

Dividend Discount Model CHCT	
ROE:	NI/Average TOT equity
NI	6577
TOT Equity	501,069.50
ROE	0.01
Retention Ratio	(NI-Dividends)/NI
NI	6577
Dividends	11744.5
Retention Ratio	-0.785692565
Growth Rate = ROE* Retention Ratio	
Growth Rate	(0.01)
Discount Rate (WACC)	0.0500
DDM	
P0	= D1/(k-G)
D1	1.81
K	0.0500
G	(0.01)
P0	30.03
Current Price	28.77
Undervalued/(overvalued)	0.04

Holding Analysis: Reality Income inc.

Evaluation:

Dividend Discount Model O	
ROE:	NI/Average TOT equity
NI	195415
TOT Equity	31,311,143.00
ROE	0.01
Retention Ratio	(NI-Dividends)/NI
NI	195,415.00
Dividends	515,091.00
Retention Ratio	-1.635882609
Growth Rate = ROE* Retention Ratio	
Growth Rate	(0.01)
Discount Rate (WACC)	0.0527
DDM	
P0	= D1/(k-G)
D1	1.81
K	0.0527
G	(0.01)
P0	28.77
Current Price	48.79
Undervalued/(overvalued)	(0.70)

FAD Evaluation method per Steifel	
Funds Available for distribution	2785333
shares outstanding	710568
FAD per share	3.919868331
Multiply by the EV/EBITDA	16.5
PPS	64.67782746

Holding Analysis: Reality Income inc.

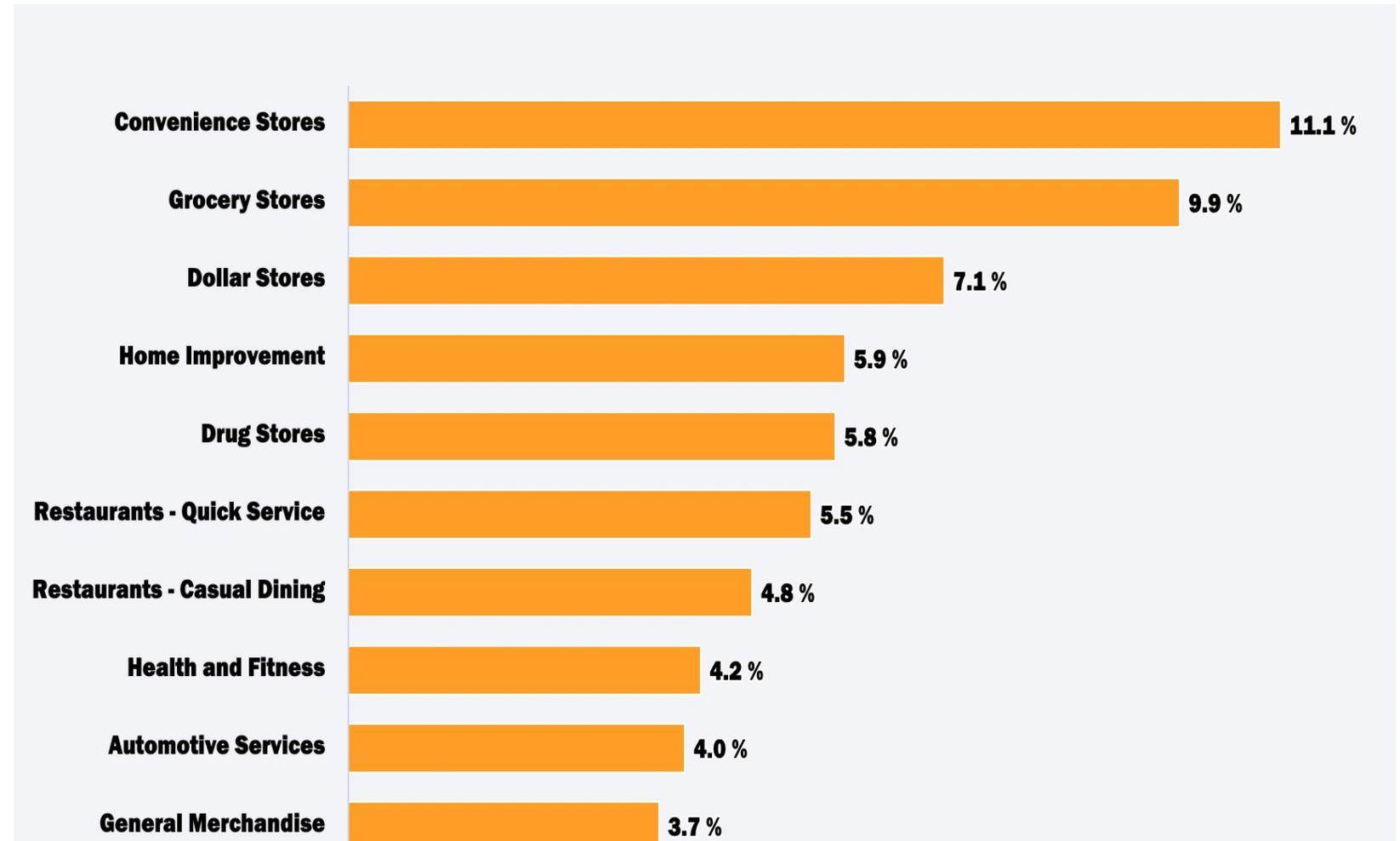
Evaluation:

FFO per common share (O)	2023 Q4
Funds from operations (FFO) Add: Non-real estate depreciation & amortization	756,659
Add: Financing Amortizations and Impairment Provisions	17,500
Less: Straight-line rents & other	-33,963
Less: Capital expenditures	-128
Funds available for distribution (FAD)	\$740,068
FFO per common share equivalent - diluted	\$1.04

FFO/Share	
Three Months Ended	
(In thousands, except per share amounts)	Jun-23
Net income	\$ 6,577
Real estate depreciation and amort	9,293
FFO (2)	15,870
Straight-line rent	(819)
Stock-based compensation	1,692
Net gain from insurance recovery o	(706)
AFFO	\$ 16,037
FFO per diluted common share (2)	\$ 0.62
AFFO per diluted common share	\$ 0.63
Weighted average common shares	25,650

Holding Analysis: Reality Income inc.

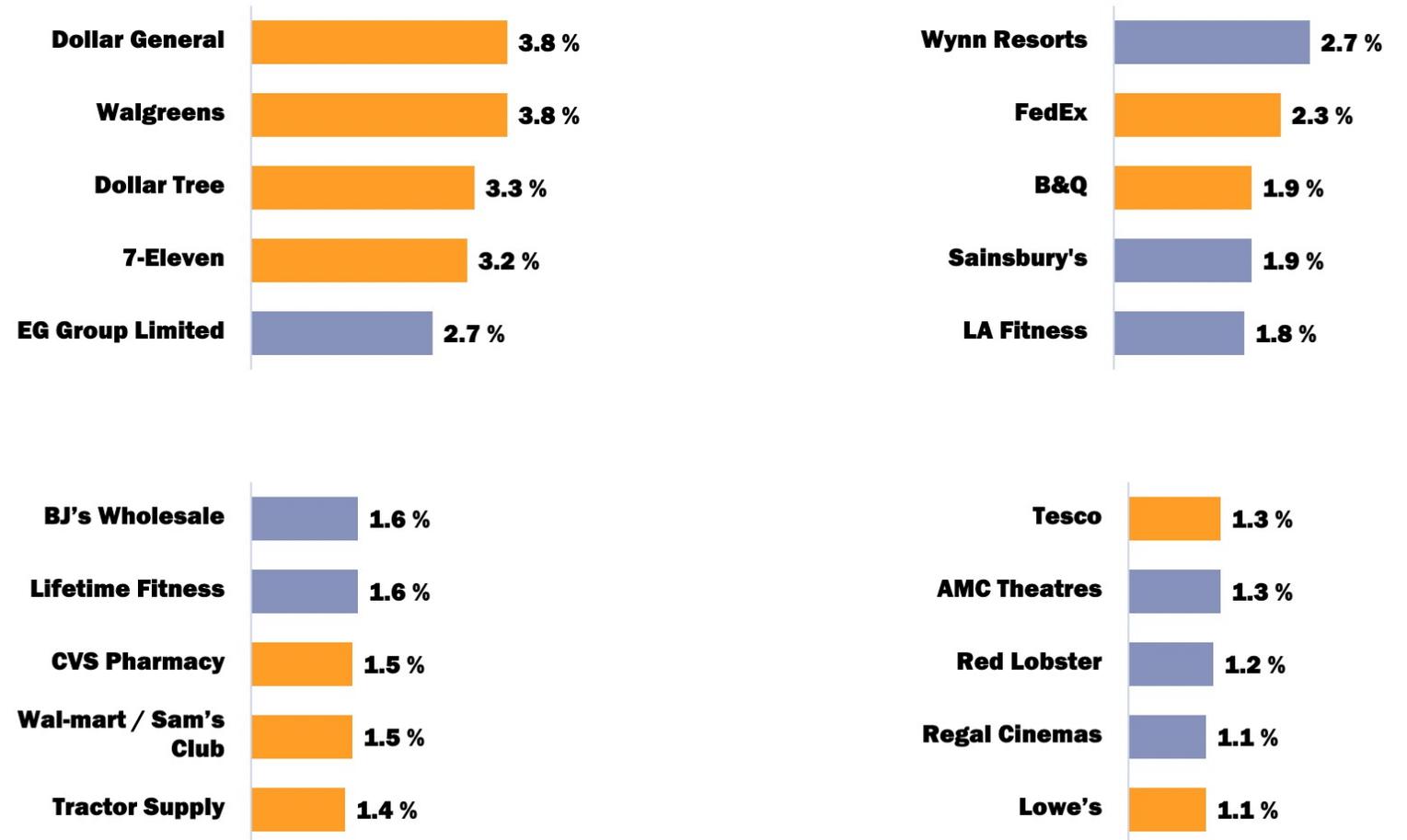
Diversification:



Holding Analysis: Reality Income inc.

Diversification:

CLIENT DIVERSIFICATION - TOP 20 CLIENTS



Discussion: REITs

- Reit's are a good source of income via dividends

Outlook for capital gains is uncertain

- Complex business model
- Increasing cost of debt
- Depreciation of office buildings

Discussion: CHCT vs O

Heavy exposure to medical industry -CHCT

Heavy exposure to retail industry and office space- O

Strength of financials PE Ratio CHCT vs O (88 vs 37)

Final Recommendation

Sell Realty inc.

- Less realized loss
- Too much exposure to general retail and commercial

Hold CHCT

- Solid business model
- Further income potential
- Strong future gains if rates go down
- Still remains more recession proof over other REITs

iShares 1-3 Year Treasury Bond ETF (SHY)

Portfolio Characteristics

Number of Holdings ⓘ as of Sep 29, 2023	84	Equity Beta (3y) ⓘ as of Aug 31, 2023	0.04
30 Day SEC Yield ⓘ as of Sep 28, 2023	4.98%	12m Trailing Yield ⓘ as of Sep 28, 2023	2.60%
Standard Deviation (3y) ⓘ as of Aug 31, 2023	1.92%	Average Yield to Maturity ⓘ as of Sep 29, 2023	5.10%
Weighted Avg Coupon ⓘ as of Sep 29, 2023	2.54	Weighted Avg Maturity ⓘ as of Sep 29, 2023	1.97 yrs
Effective Duration ⓘ as of Sep 29, 2023	1.87 yrs	Convexity ⓘ as of Sep 29, 2023	0.05
Option Adjusted Spread ⓘ as of Sep 29, 2023	-3.58 bps		

iShares 1-3
Year
Treasury
Bond
ETF (SHY)

Propose we invest portfolio dividends in addition to all cash from divestitures decided upon today

Sam Bodman's recommendation that we add short end exposure

Lock in an 11% return over the next two years

Significantly lower duration of the portfolio and use income to offset potential additional long-end losses