



COVID-19 Update

March 27, 2020

Although it remains too early to fully assess the impact that the COVID-19 outbreak will have on our investment programs, we wanted to assure you that Alex. Brown Realty, Inc. is committed to working through whatever challenges are presented.

ABR, together with each of our operating partners and property managers, is taking steps to:

- Understand the potential risks that each property might face
- Adopt procedures to reduce the risk of viral spread within each property, and
- Implement available strategies to lessen the economic impact

We recognize that some properties are more susceptible than others to the protracted economic disruption which will accompany this pandemic. Undoubtedly, the hospitality sector will be the most immediately affected due to the halt in business and leisure travel. The retail sector is also likely to face immediate challenges. The current cash reserves, together with the undrawn balances on the working capital lines of credit, are expected to be more than sufficient to protect the portfolios of each of our active investment programs during this unsettled time. We will continue to closely monitor this rapidly evolving situation and we will continue to actively respond to the economic impact on portfolio operations and asset liquidity.

Our investment pipeline remains active; however, we intend to pause the acquisition program of ABR Fund VI for the foreseeable future until we can better assess how the COVID-19 outbreak will impact the broader economy and real estate fundamentals. We believe the current volatility in the market underscores the importance of building a moderately leveraged, well-diversified, value-add portfolio that features a solid base of existing income.

Finally, we wish to assure all our investors and their advisors that ABR has a robust business continuity plan in place. If you have questions or would like additional information about your investment with ABR, please do not hesitate to contact us.