



US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NAV Update - 30 November 2019

NAV Update

The estimated unaudited net asset value (NAV) before withholding tax on unpaid distributions as at 30 November 2019 was \$1.50¹ per unit.

If estimated tax on unrealised portfolio gains or losses were recognised, the estimated unaudited post-tax NAV before withholding tax on unpaid distributions as at 30 November 2019 would be \$1.29¹ per unit.

Property Portfolio Update

As announced during the November 2019 Investor Update² and the Webinar released on the 6th of December 2019³, the Fund has embarked on a two-year sales program dedicated to selling assets and utilising the proceeds to repay URF Notes II (ASX: URFHB) and URF Notes III (ASX: URFHC). As at 1 December 2019, the Fund reported in excess of US\$100 million worth of property sold or under signed contracts since August 2019, with contract and sales prices recorded at 99% of book value.

During the month of November, the Fund closed on the sale of seven properties from the aforementioned US\$100 million pool of properties. The total sales price in connection with these seven disposals was US \$8,613,500. The aggregate book value of these seven disposed assets was US \$9,597,024 and the total closing costs for these seven disposed assets were US \$531,381.

Two of the seven properties sold in November accounted for the difference between sales price and book value. Both were low-yielding, single-family homes in the NJ Premium segment of Downtown Jersey City. The other five properties sold in November in aggregate achieved prices slightly above their book values. The Fund will continue to critically assess each potential sale to maximise value for unitholders, while delivering on its commitment to rebalancing the portfolio and reducing debt levels.

¹ Source: Walsh & Company Investments Limited – the historical performance is not a guarantee of the future performance of the Portfolio or the Fund.

² Source: US REIT, [November Investor Update](#).

³ Source: US REIT, [December Webinar](#).

URFHB Early Repayment

On the 6th of December 2019, the Fund announced an additional capital repayment of URFHB. In light of the success of the sales program, a further \$35 per note will be repaid to URFHB holders on or around 31 December 2019. This will represent the second early repayment of URFHB, after \$40 per note was repaid to unitholders on 30 September 2019. This repayment is in line with the Fund's stated strategy of implementing a sales program and dedicating the sales proceeds to repaying URFHB and URFHC prior to their respective maturity dates. The remaining principal of URFHB will be \$25 per note following the repayment that will be made on or around 31 December 2019.

URF Ordinary Units

In accordance with the Fund's stated strategy of prioritising the repayment of both URFHB and URFHC, the Fund will not be making a distribution to Ordinary Unit holders for the period ending 31 December 2019. Subject to the progress of the sales program, this distribution policy will be re-evaluated in future periods and a further announcement will be made when Ordinary Unit distributions are reinstated.

URF Convertible Step-Up Preference Units (ASX: URFPA)

On the 12th of December 2019, the Fund also announced the regular half-yearly URFPA distribution for the period ending 31 December 2019. The distribution of \$3.15 per URFPA is expected to be made on or around 25 February 2020.