



US Masters Residential Property Fund (Fund)

ASX Code: URF

Investment and NAV Update - 30 April 2020

NAV Update

The estimated unaudited net asset value (NAV) before tax as at 30 April 2020 is estimated to be \$1.19 per unit.

If estimated tax on unrealised portfolio gains or losses were recognised, the estimated unaudited post-tax NAV as at 30 April 2020 would be \$1.07 per unit.

The Fund's NAV updates reflect the property values determined as a result of the 31 December 2019 appraisal process. Each monthly NAV update accounts for the operational results of the months since 31 December 2019, as well as asset sales, investor distributions and foreign exchange movements over this time period.

Between 31 March 2020 and 30 April 2020, the majority of the change in the estimated unaudited NAV can be attributed to foreign exchange movements. During this period, the Australian dollar appreciated against the US dollar by 6.21% to 0.6512 (from 0.6131 in March 2020), resulting in a decrease to the estimated unaudited NAV.

Property Portfolio Update

During the month of April, the Fund closed on the sale of five properties. The total sales price in connection with these five disposals was US \$4,612,500. The aggregate book value of the five disposed assets was US \$4,645,508 and the total closing costs for these five disposed assets was US \$131,274. Three of these transactions (representing US \$3,300,000 of April's sales) were direct deals with buyers completed without having to retain a broker, which is consistent with the Fund's goal of minimising transaction costs wherever possible.

Rent Collection Update

The Fund's rental collection rate continues to be closely monitored in light of the COVID-19 pandemic. The Fund's rental collection rate for April was 95% as at 8 May 2020. This may increase further as delayed payments are received.

For the month of May, the Fund had collected US\$2.29 million as at 8 May 2020 which represents approximately 85% of the months' rent roll. By comparison, as at 8 April 2020 88% of the months' rent had been collected, and as at the same date in January, February and March 2020 an average rental collection rate of 93% had been achieved.

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

Authorised for release by Walsh & Company Investments Limited (ACN: 152 367 649, AFSL: 410 433), the responsible entity of the Fund.

COVID-19 New York and New Jersey Update

The Fund has had a number of investor queries about the broader plans to reopen New York and New Jersey. These reopening plans are being coordinated at a state level by Governor Andrew Cuomo (New York) and Governor Phil Murphy (New Jersey). Both states currently have significant social distancing restrictions in place.

While the situation remains very fluid and guidance is updated regularly, initial reopening policies have been announced for New York State. Current guidance requires that nonessential businesses stay closed until May 15th, however it is likely that this timeline will be extended. Governor Cuomo has outlined that the State will be reopened on a region-by-region basis as each geographical area meets a set of risk metrics (as at the time of writing, three of the ten regions in New York State have met the requirements to start the reopening process). The less densely populated “upstate” areas may see restrictions eased first, followed by the more densely populated “downstate” areas (including New York City). Each region is expected to reopen over four phases. Relevant for the Fund, the construction industry is currently included in the first phase of reopening, with real estate, rental leasing, retail and professional services expected to be included in phase two. More detail on these guidelines for reopening New York can be found [here](#).

New Jersey's restrictions have largely mirrored New York, with the two states working closely together as part of a regional solution. New Jersey has released Six Key Principles (available [here](#)) to guide the process for lifting restrictions.

While the number of new COVID-19 cases in and around New York and New Jersey appear to be reducing, the Governors of both states have cautioned that a return to normalcy may still be some time away. The Fund will continue to update investors on the impact of COVID-19 on the Fund and the communities in which the Fund is invested.

Termination of Management Agreement with URF Investment Management Pty Ltd

The provision of professional services by the Investment Manager (URF Investment Management Pty Ltd) to the US REIT has changed following the appointment of the new US REIT management team (announced 1 August 2019) and the internalisation of staff that had previously been provided by Dixon Advisory USA Inc (effective 1 July 2018). Following these changes, all functions and services previously provided by the Investment Manager are now conducted by the US REIT, and the Investment Management Agreement between the Investment Manager and the US REIT will be terminated. This is not expected to have any cost implications for the Fund, as the Investment Manager had previously waived all fees.

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

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