

US Masters Residential Property Fund (Fund) ASX Code: URF Video Update – Q3 Report

The Fund has recorded a video update to accompany the 2020 Q3 Quarterly Report for the period ending 30 September 2020. A copy of the presentation and a link to the video update is below.

This update is available on the Fund's website and investors who have elected to receive email updates from the Fund will also be emailed a link to the video.

Please click [here](#) for the video update.

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US Masters Residential Property Fund is the first Australian-listed entity with the primary strategy of investing in the US residential property market. Its portfolio comprises freestanding and multi-dwelling properties in the New York metropolitan area.

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US Masters
Residential
Property Fund

Q3 Fund Update

November 2020

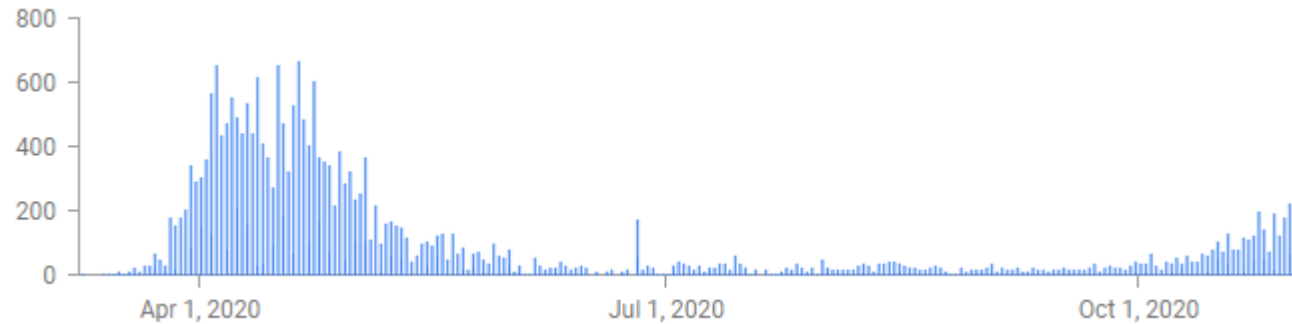
Disclaimer

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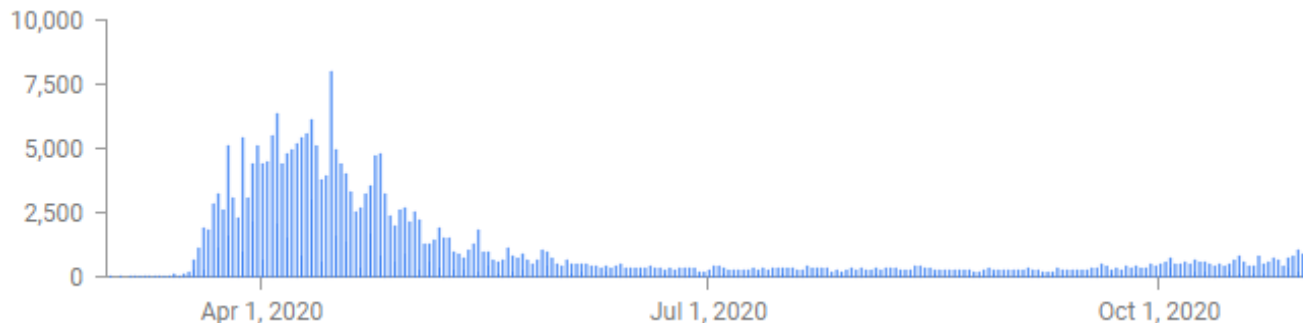
This presentation may contain statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not provide to be correct. The Investment Manager and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of them) (Parties) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19, and the Parties assume no obligation to update that information.

COVID-19: New York & New Jersey

Number of new cases – Hudson County, New Jersey



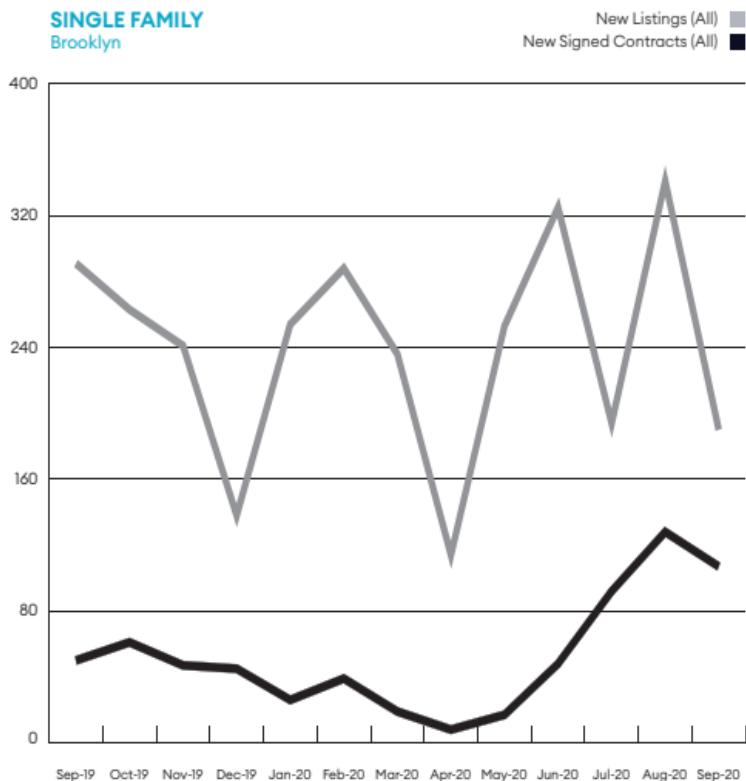
Number of new cases – New York City, New York



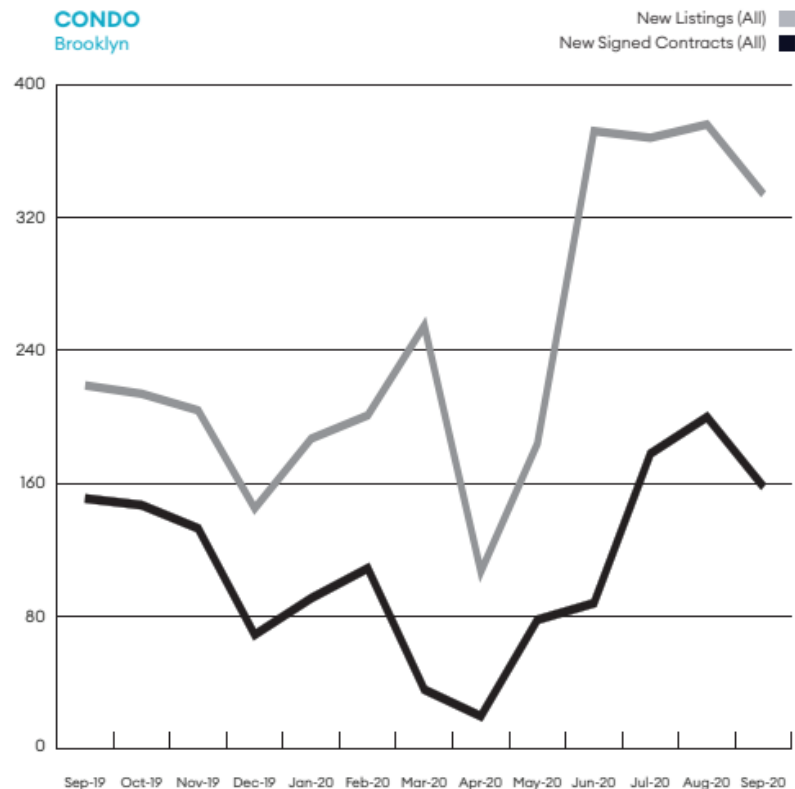
Source: New York Times, accessed 3/11/20 via Google news COVID-19 dashboard.

September transaction volumes - Brooklyn

Single family transactions
Up 114% YOY



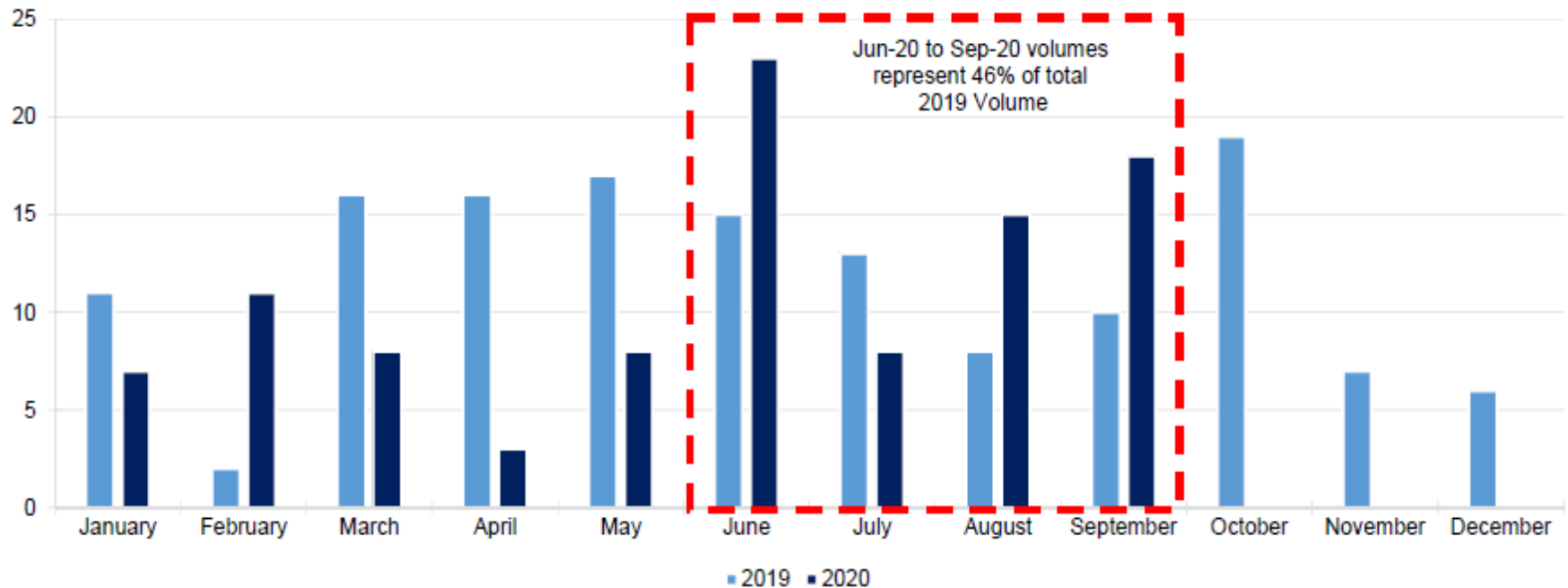
Condo transactions
Up 4.6% YOY



Source: Douglas Elliman, September 2020 New Signed Contracts Report, data compiled by Miller Samuel Real Estate Appraisers & Consultants

Transaction volumes – New Jersey

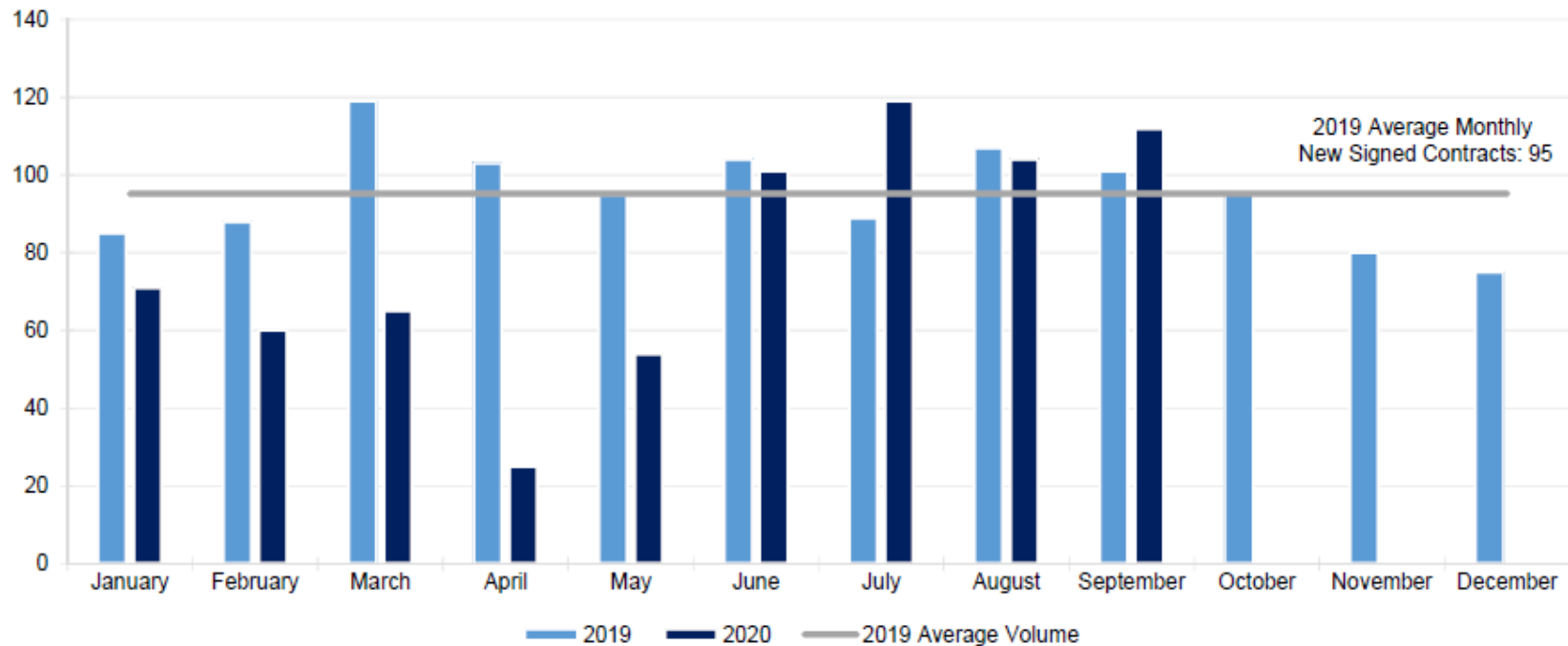
Number of new 1-4 family townhome contracts signed – Hudson County **Premium**



Source: Data obtained from Hudson County Multiple Listing Service (MLS) as at 10/10/20. "Premium" regions refer to the Downtown and Hoboken areas.

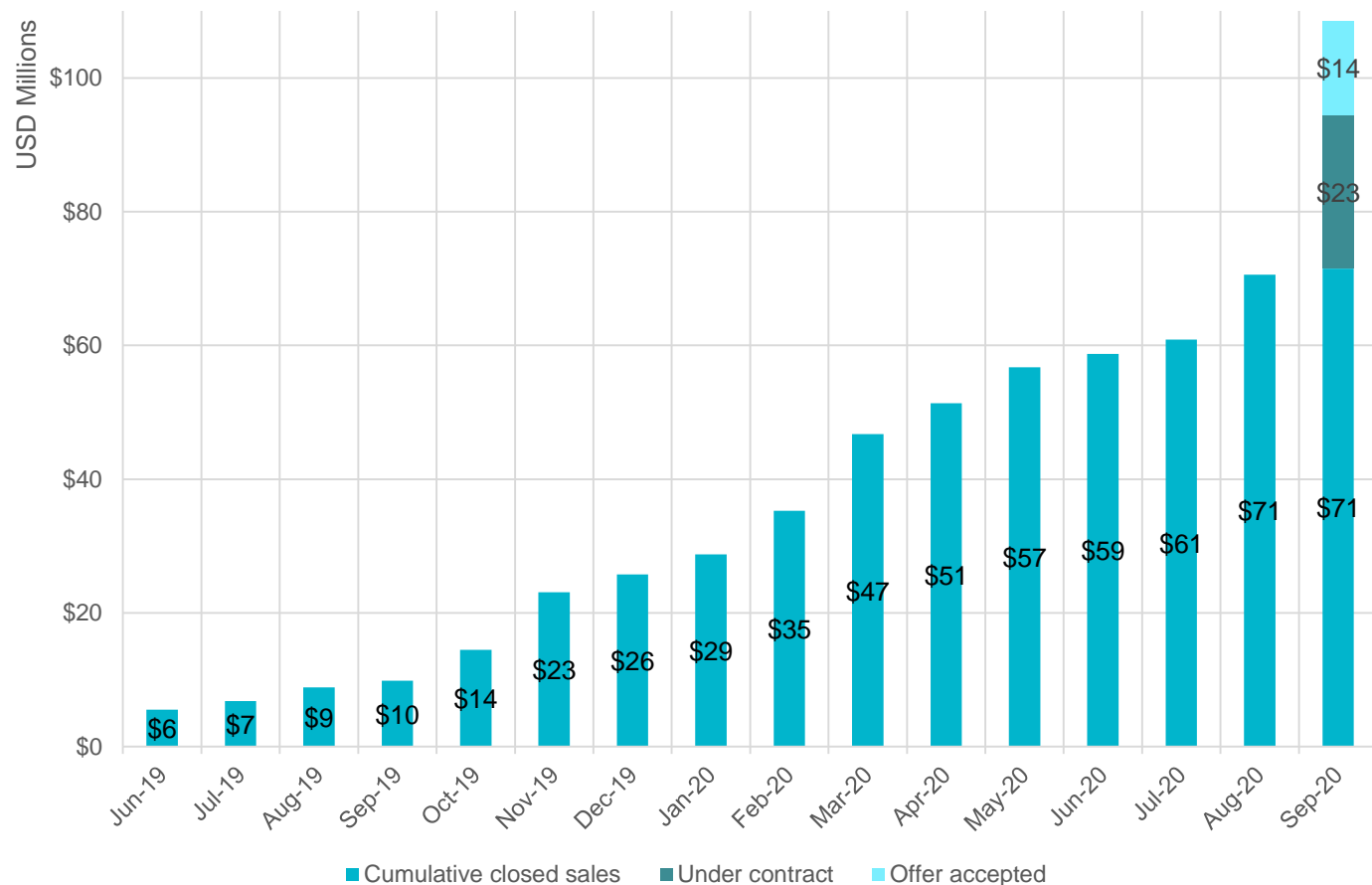
Transaction volumes – New Jersey

Number of new 1-4 family townhome contracts signed – Hudson County **Workforce**



Source: Data obtained from Hudson County Multiple Listing Service (MLS) as at 10/10/20. "Workforce" regions refer to Journal Square, Bayonne, Bergen-Lafayette, Greenville, Jersey City Heights, West Bergen, North Bergen, Union City, Secaucus, West New York.

1 - 4 Family Property Sales



US\$12.75 million in closed sales throughout Q3.

US\$36.5 million in pending sales at end of Q3.

In October 2020, a further US\$11m in sales closed.

Transactions “under contract” or within “attorney review” are likely, but not guaranteed, to close.

Source: US REIT. Data as at 30 September 2020.

Debt Management

AUD Denominated Debt (AUD)	30-Jun-20	30-Sep-20	Change
URF Notes III (ASX:URFHC)	157,500,000	157,500,000	-
Total	157,500,000	157,500,000	-

USD Denominated Debt (USD)	30-Jun-20	30-Sep-20	Change
Wells Fargo	\$256,856,222	\$246,549,287	(\$10,306,935)
Centennial Bank	\$69,825,717	\$69,654,741	(\$170,976)
Total	\$326,681,939	\$316,204,028	(\$10,477,911)

At 30 September 2020 the Fund held cash and cash equivalents of A\$48 million.

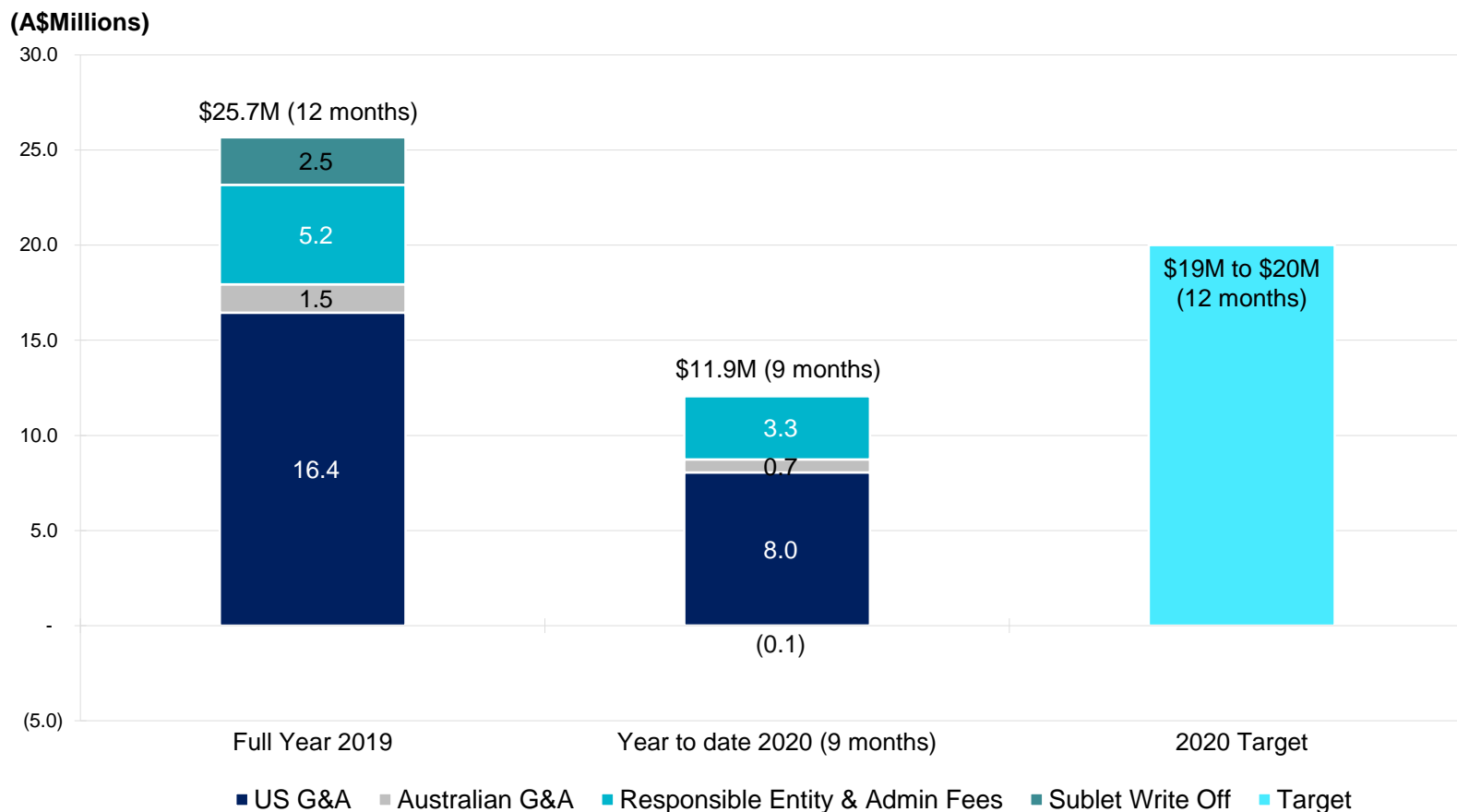
Source: US REIT. Data as at 30 September 2020. Historical performance is not a reliable indicator of future performance.

Rent collection rates & Occupancy

Month	Collection %	1-4 Family Portfolio	Unit Count	%
July 2020	100%	Leased	847	87%
August 2020	99%	Renovation	2	0%
September 2020	97%	Turnover	26	3%
		Sale - Vacant on the Market	27	3%
		Sale - Vacant Pending Closing	23	2%
		For Lease	45	5%
Total	98%	Total	970	100%

Source: US REIT. Data as at 30 September 2020. Historical performance is not a reliable indicator of future performance.

General and Administrative expenses



Source: US REIT. Data as at 30 September 2020.

AUD/USD average rate of 0.6953 and 0.6773 for 2019 and YTD Q3 2020 respectively. Original target for 2020 was based on AUD/USD spot rate at 31-Dec-2019 of 0.7021

Funds from Operations (FFO)

YTD FFO improved by an annualised 55% compared to full year 2019 results.

Funds From Operations (FFO) - Pre Tax (A\$ Millions)	2018	2019	YTD Q3 2020
Revenue from Ordinary Operations	38.1	49.7	35.5
One-Off Grant Income	-	-	1.8*
Investment Property Expenses	(16.3)	(19.2)	(10.6)
Investment Property Disposal Costs	(3.6)	(4.3)	(3.6)
G&A	(25.1)	(22.2)	(11.9)
EBITDA	(6.9)	4.0	11.2
Net Interest Expenses (Excluding Notes Interest)	(20.5)	(21.2)	(11.9)
Notes Interest	(21.7)	(19.8)	(9.9)
Funds From Operations (FFO) - Pre Tax	(49.0)	(37.1)	(10.6)

Source: US REIT

Note: Excludes Convertible Preference Unit (URFPA) distributions as they are equity distributions.

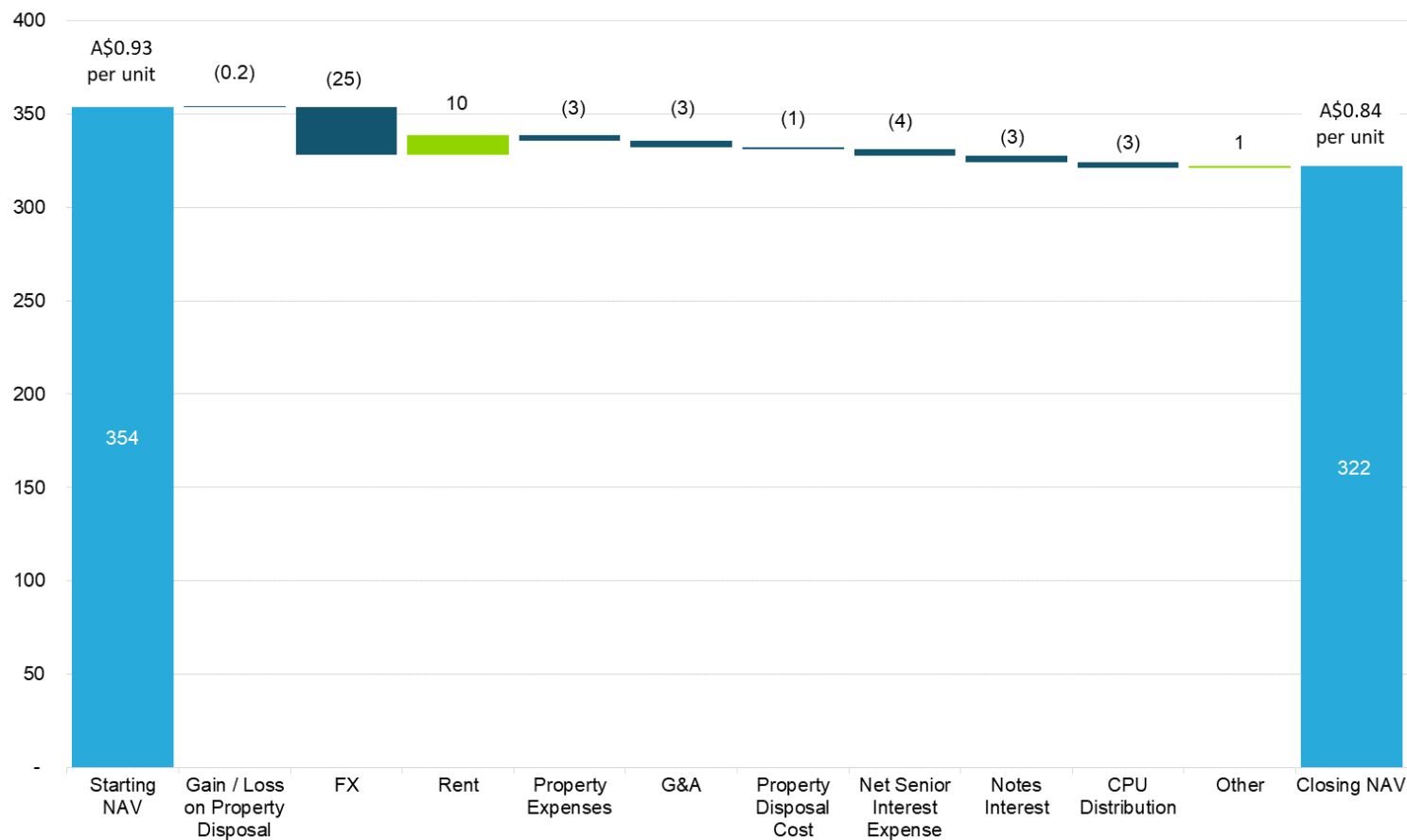
AUD/USD average rate of 0.7476, 0.6953 and 0.6773 for 2018, 2019 and YTD 2020 respectively.

Annualised figure FFO growth of 55.4% excludes non-recurring grant income which was received during the H1 2020 period.

* One-off grant income was shown as A\$1.9m in Q2 report. The actual amount received was US\$1.23m which equated to A\$1.9m at 30 June 2020, but which now equates to A\$1.8m due to changes in the average AUD/USD exchange rate for the YTD Q3 2020 period.

Net Asset Value (NAV)

NAV changes – 30 June 2020 to 30 September 2020



For further information

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