

US Masters Residential Property Fund (Fund) **ASX Code: URF**

Video Update – Global Atlantic Financial Group refinance & URFHC repayment

The Fund has recorded a video update to accompany the announcement released on 20 November 2020 regarding the Fund's refinance with Global Atlantic and the substantial URF Notes III (ASX: URFHC) repayment that has been announced. 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**

Global Atlantic Financial Group Refinance & URFHC Repayment

December 2020

Disclaimer

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Refinance – use of funds

Use of funds	USD (approx.)
Wells Fargo - full repayment	\$232.45 million
Centennial Bank - full repayment	\$64.01 million
URFHC - A\$75/Note repayment	\$97.12 million
Transaction costs	\$4.28 million
Global Atlantic reserves	\$5.11 million
Additional available funds	\$27.68 million
Total	\$430.65 million

Source: US REIT

Note:

(1) Payout figures are lower than actual loan balances due to funds previously held on reserve with each lender.

(2) Based on USD/AUD Exchange rate of 0.74. Exact proceeds in USD will be determined at the time of the funds being converted into AUD.

Refinance – structure

Term Loan

US\$360 million

Holding the Fund's stabilised assets

4.0% p.a. interest rate

5.5 year term

Early capital repayment of 5% of the loan balance permitted in each of the first 3 years

Source: US REIT

Refinance – structure

Term Loan

US\$360 million

Holding the Fund's stabilised assets

4.0% p.a. interest rate

5.5 year term

Early capital repayment of 5% of the loan balance permitted in each of the first 3 years

Bridge Loan

US\$70.65 million

Holding the Fund's sales pipeline

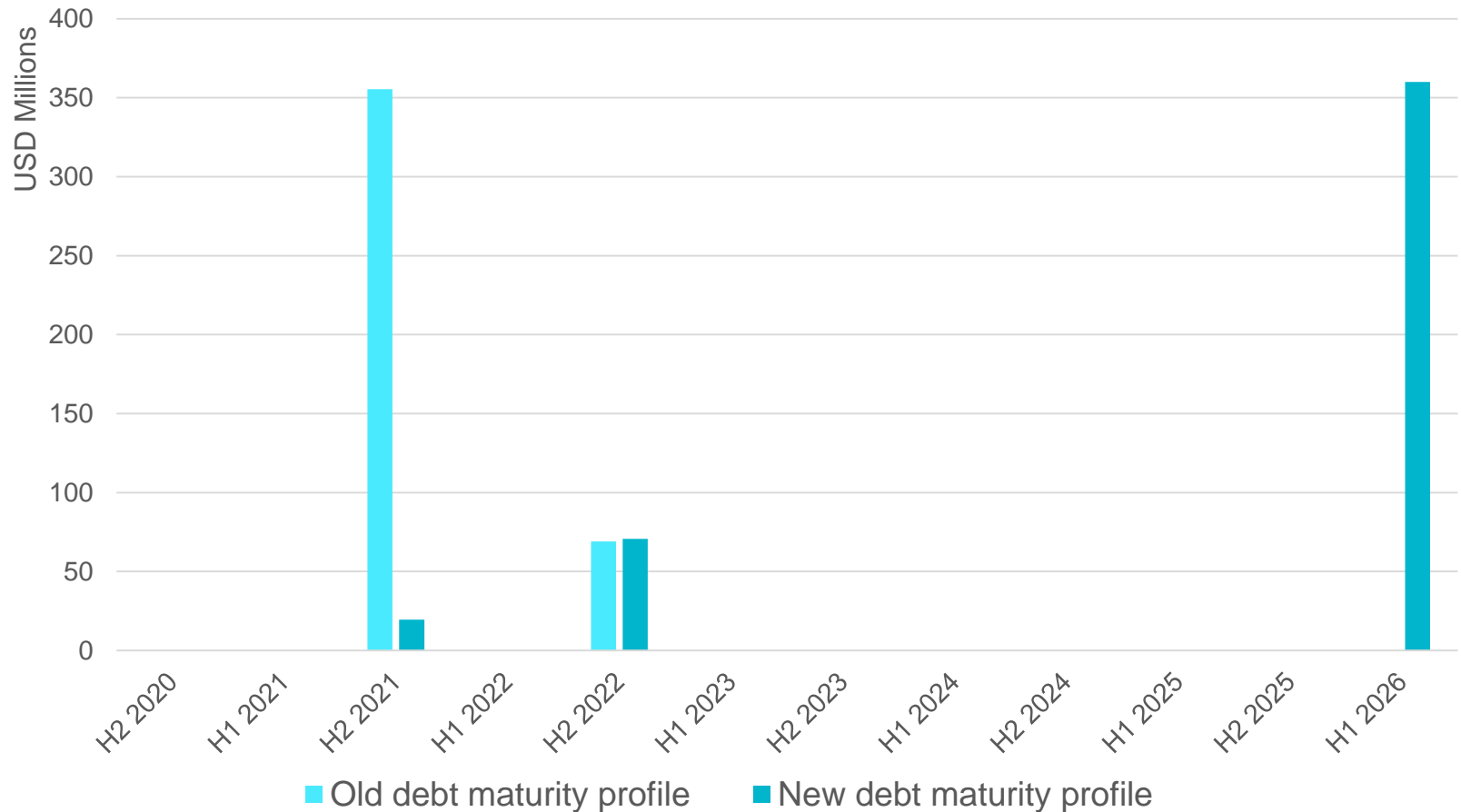
5.0% p.a. interest rate

2 year term, with 2 x 6-month extensions available

Unlimited early repayment

Source: US REIT

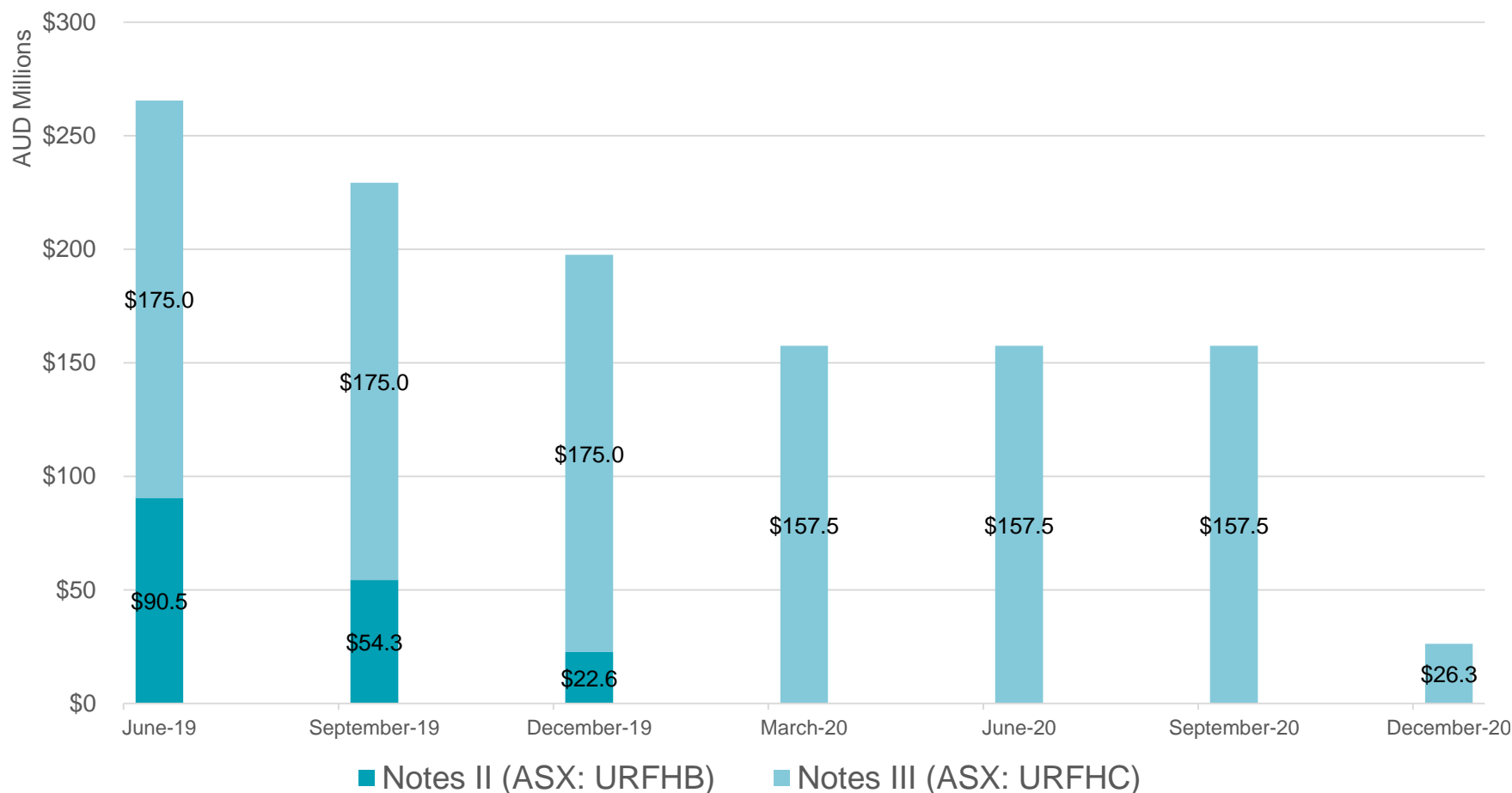
URF consolidated debt maturity profile



Source: US REIT

Note: USD value of URFHC calculated on AUD/USD rate of 0.74. The Global Atlantic Bridge Loan is depicted as maturing after 2 years, however two further 6-month extensions are available at the Fund's election, subject to certain criteria. Graph assumes the December 2020 URFHC partial repayment of A\$75/Note has been made.

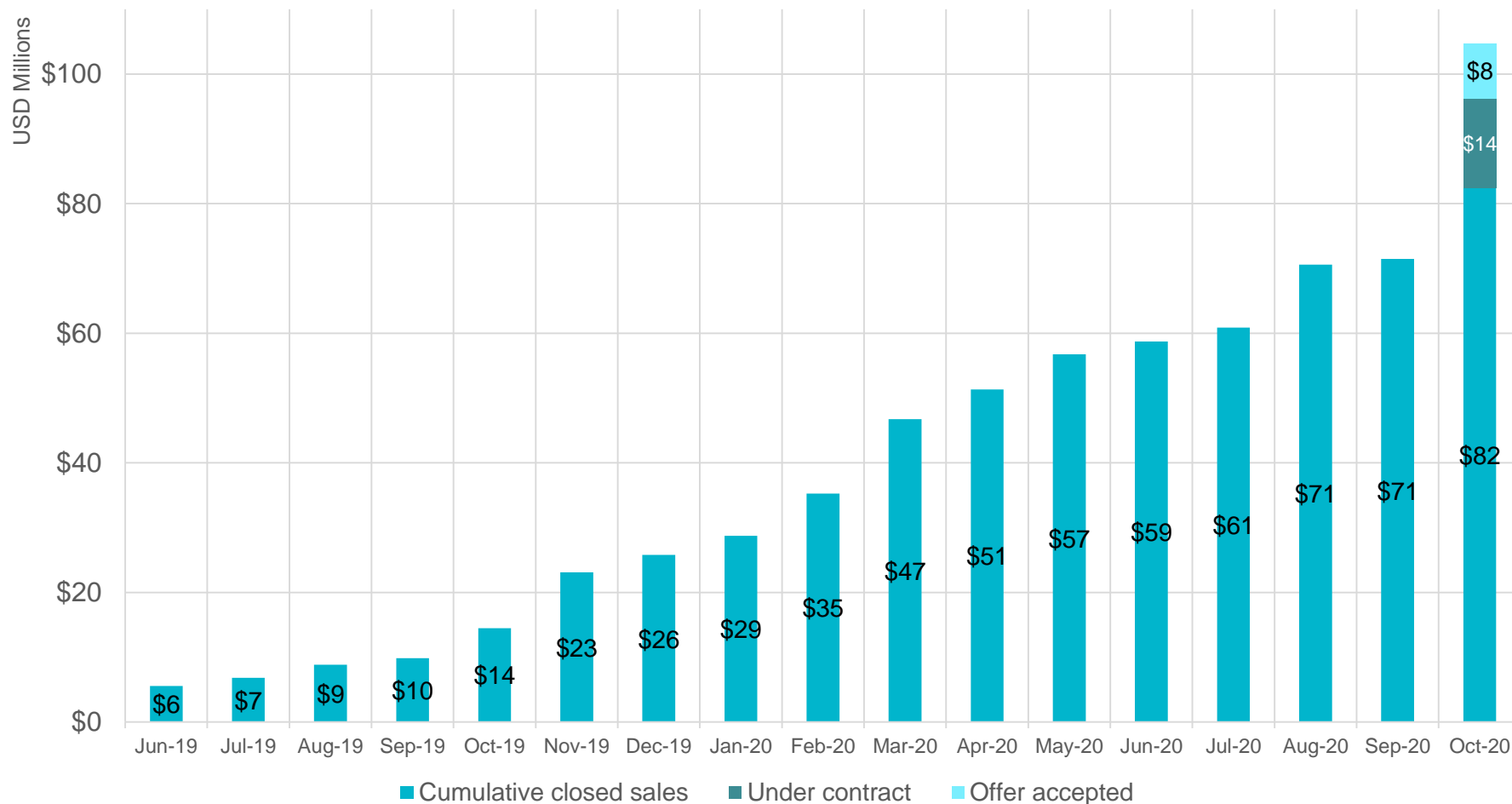
Outstanding URF Notes balances



Source: US REIT

Note: Assumes the December 2020 URFHC partial repayment of A\$75/Note has been made.

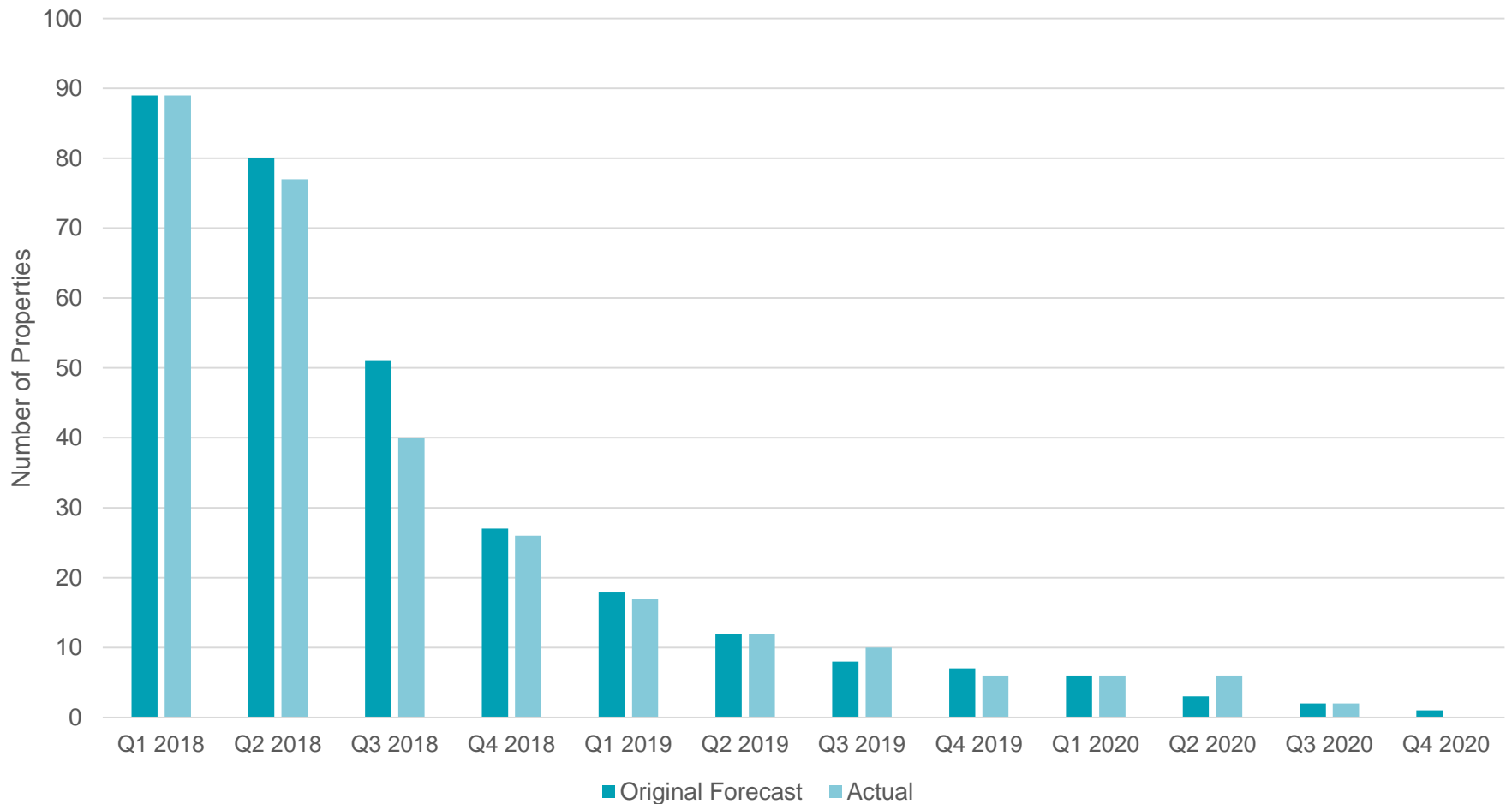
1 - 4 Family Property Sales



Source: US REIT.

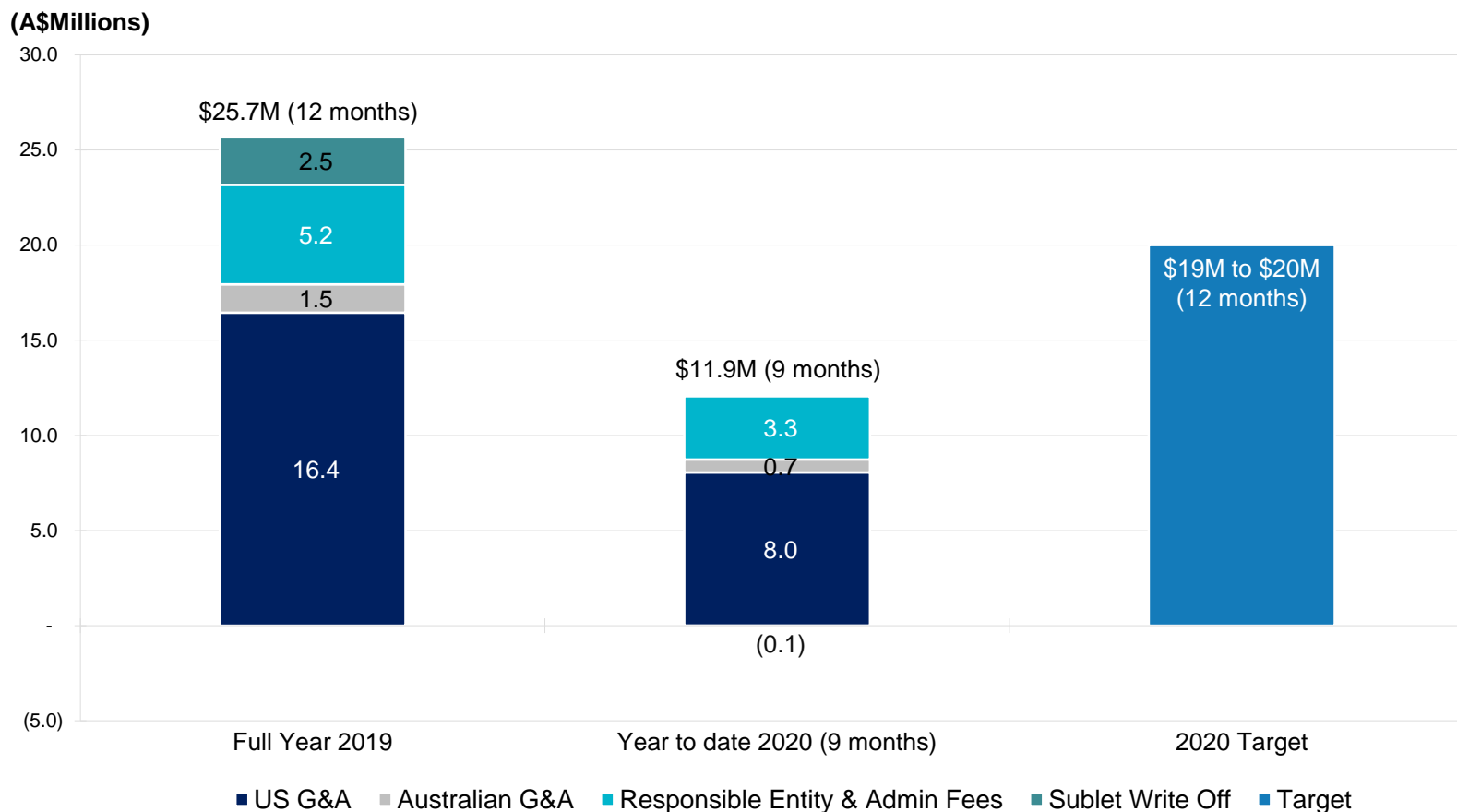
Data as at 31 October 2020. Transactions “under contract” or within “attorney review” are likely, but not guaranteed, to close.

Remaining renovation pipeline



Source: US REIT

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 noted 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, and now equates to A\$1.8m due to changes in the average AUD/USD exchange rate for the YTD Q3 2020 period.

For further information

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